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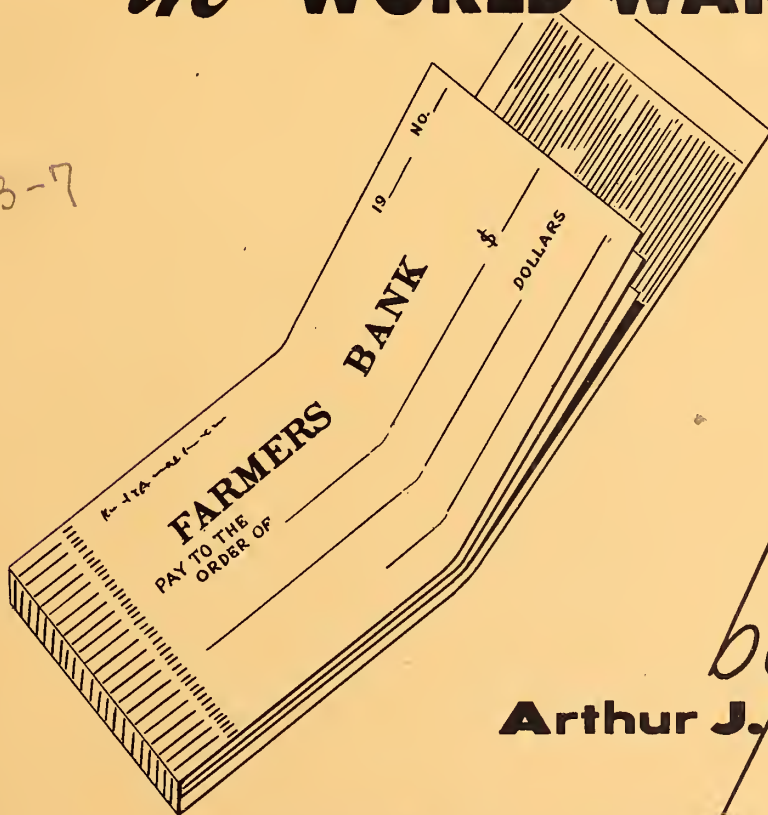
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Agricultural

WAGE STABILIZATION

in WORLD WAR II



by
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WAR RECORDS MONOGRAPHS

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To supplement the studies of major programs a series of monographs was outlined to present in greater detail the wartime changes in various sectors of agriculture. Heretofore these supplementary accounts have been processed as War Records Monographs and issued either by the Bureau of Agricultural Economics or by other agencies in this Department, as follows:

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- No. 2 - Soil Conservation During the War,
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- No. 3 - Sugar During World War II,
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- No. 4 - War Food Order 135, Veterans' Preference
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- No. 6 - Fats and Oils in World War II: Production
and Price-supporting Programs,
by Robert M. Walsh. 30 p. October 1947.
- No. 7 - Wool During World War II,
by John W. Klein. 104 p. May 1948.

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Agricultural Wage Stabilization in World War II

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by

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Production and Marketing Administration

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CHAPTER 1. BACKGROUND, ORIGIN, AND OBJECTIVES

"You may not pay more than so much, for fear of both criminal and administrative penalty. If you deem it necessary to pay more, you must petition for approval. Approval may be granted only if your proposed increases comply with specified standards." Thus may the central theme of the agricultural wage stabilization program in World War II be summarized. These regulations applied to all employers - large and small. In Executive Order 9250 and OES regulations as to wages and salaries, workers were similarly told not to accept more than so much (39,7:7871,8748). They, too, were liable for criminal penalties.

This was a regulatory program of direct controls. It was set in harsh words, but these were harsh times. Global war did not permit soft words - or so it seemed, in 1942. The direct approach was taken. It is important to an understanding of the program to recognize that all through its existence it was one of direct controls. This underlying concept had profound effects on the program's entire course.

Industrial wage stabilization during its course shifted from a direct to an indirect approach. Industrial employers were ultimately told, in Executive Order 9599, that their increased labor costs would not be considered as justification for increasing price ceilings or increasing costs in contracts with the Government unless those increased costs resulted from approved wage increases (40,10:10155). This indirect approach was not extended to agriculture. It was not feasible for agriculture. Farmers individually have little direct control over the price of their products. If there were to be controls they had to be direct and all inclusive, or so it was thought at the time.

How the Agricultural Wage Stabilization Program Came To Be

On October 2, 1942, Congress passed "An Act to Amend the Emergency Price Control Act of 1942, to Aid in Preventing Inflation, and for Other Purposes (39,56:765). ^{1/} On October 3, President Franklin D. Roosevelt set up the Office of Economic Stabilization, on the basis of this act, with James F. Byrnes as Director. The Director was authorized to develop a national economic policy relating, among other things, to wages and salaries ". . . all for the purpose of preventing avoidable increases in the cost of living, co-operating in minimizing the unnecessary migration of labor from one business, industry, or region to another, and facilitating the prosecution of the war." The Director was also authorized to ". . . exercise the powers, authority, and discretion conferred upon him by this Order through such officials or agencies, and in such manner, as he may determine"(40,7:7871).

^{1/} This Act was later officially designated as the Stabilization Act of 1942 (39,58:632).

On October 27, 1942, Director Byrnes issued regulations directing generally that all wages and all salaries under \$5,000 per annum were to be controlled by the National War Labor Board and all salaries in excess of \$5,000 per annum, by the Bureau of Internal Revenue, Treasury Department. The regulations were direct and forceful. Wage and salary rates could not be increased above rates paid on September 15, 1942, without approval. No specific differentiation was made between wage or salary rates for agricultural and nonagricultural workers.

The Secretary of Agriculture, Claude R. Wickard, entered immediate protest that such wage freezing would seriously hamper the production of essential foods and fibers. In a memorandum to Director Byrnes, dated October 30, 1942, Secretary Wickard wrote:

As I see it, the principal problem in Agriculture is to allow wages to rise so as to attract enough labor to achieve farm production goals There is no present general need to hold down agricultural wages. The disparity between agricultural wages and wages paid for other essential war industries constitutes a gross inequity to the farm workers. For example, the average hourly cash equivalent earnings of agricultural workers are less than 30 cents per hour, while the average hourly earnings for workers in manufacturing industries are over 80 cents an hour By any reasonable standards, agricultural wages are not too high The most serious problem involved in supplying food for the United Nations is that of maintaining an adequate supply of labor on the farms of the United States. Farm workers cannot be expected to stay on farms if the present wage disparity continues as wide as it is. Ceilings at present levels on agricultural wages would seriously interfere with removing this disparity and would hinder the effective prosecution of the war.

In the same memorandum, the Secretary wrote "There may be a few instances, especially in highly commercialized agriculture, where nothing would be gained by further rises in farm wages. In such instances, consideration should be given to the application of a wage ceiling"

On November 30, 1942, amendments to the Economic Stabilization Director's regulations of October 27 were promulgated. These amendments gave the Secretary of Agriculture jurisdiction over wages and salaries of agricultural labor. Agricultural labor was restricted to ". . . persons working on farms and engaged in producing agricultural commodities whose salary or wage payments are not in excess of \$2400 per annum" (40,7:10024). Employers were free to increase the compensation of these workers up to \$2,400 per annum until the Secretary of Agriculture determine that ". . . with respect to areas, crops, classes of employers, or otherwise, increases in salaries or wages for agricultural labor may no longer be made without the approval of the Secretary of Agriculture" (40,7:10024). The Secretary was made responsible for

determining when and whether salary or wage payments to agricultural labor, as defined, were being made in contravention of the Stabilization Act. Thus, an "Agricultural Wage Stabilization Program," separate from the industrial program, came into being.

Before tracing the development of the program and its changing objectives and administration, and before attempting an evaluation of its achievements, it is necessary to take a more detailed view of the setting in which the program was to operate. A view of total agricultural labor-market conditions as they prevailed in the period of the 1930's and during World War II is a preliminary to an intelligent appraisal. So, also, is a view of certain other factors whose forces accelerated or hindered attainment of the program's objectives.

The Agricultural Labor Market of the Nineteen Thirties

American agriculture underwent tremendous changes during the decade of the thirties. Advancement in technology, improvement of farming methods, greater crop yields through better land use, greatly decreased the number of persons required to produce a given quantity of food and fiber. Concentrations in land ownership and controls, commercialized and specialized farming, a surplus of potentially productive man-hours, were synonymous with the more effective agriculture. Stratification of the farm population was becoming readily apparent. It was no longer usual for hired laborers to become owners through the use of their own farm-wage earnings. In fact, the movement seemed reversed--many owners became landless. Nature hastened the reversal in the Great Plains States. The "industrial revolution" in agriculture hastened it everywhere (27, pp. 403-432; 12, pp. 65-66, 122-125; 31, pp. 41-46; 33, pp. 3-98).

These phenomena were not unique to the thirties. Rather, they were recognizable results of forces having their beginnings in the nineteenth century. But it was in the thirties that the recognition of a distinct group that could be termed the "farm-labor segment" of our economy became possible as a culmination of these phenomena. Distinct social, cultural, educational, and economic problems in the rural economy were posed by the emergence of this vast group of wage workers and their families, the improbability of whose escape from wage-labor status in agriculture became increasingly apparent (27, pp. 383-393; 32, pp. 9, 145-152).

Employment estimates for the late thirties indicated an average of 2,500,000 to 3,000,000 hired laborers employed in American agriculture annually (27, p. 396; 21). This did not include the 716,000 share croppers whose status was not much different from that of the wage laborers (32). Estimates placed the number of migrant families as high as 800,000 (29, p. 150). In such cases the wage agreement was usually with only one member of the family or "gang," but wives, sons, daughters of migrants or other contract laborers

were also employed. Hence, more of the migrants may actually have been wage laborers than the employment count indicated. Many traveled thousands of miles, following the will-o-the-wisp of job rumors, living in improvised housing in shack towns and rural "jungles," with practically a complete lack of educational, health, and sanitary facilities. Even many of the most stable sharecroppers and regular laborers were located in permanently deteriorating hovels with only the barest essentials of life (27, p. 45, 383-391).

This abundant labor supply coupled with low prices for farm products drove wage rates to exceedingly low levels. Because of the seasonality of agriculture, annual earnings were far less than actual wage rates might imply. Regardless of wage rates and job opportunities, the individual worker seldom seemed to get to the place of possible employment until the job was over. Unscrupulous practices of some private employment agencies and labor contractors and unwarranted advertising for workers by certain growers who wanted an abundance of workers in order to drive wages down, further aggravated the maldistribution of labor supply and abetted the chaos of the labor market (27, pp. 358-383; 29, pp. 160-166; 32, 1940:907-920).

The Labor Market of the Early Forties

During the early forties, a new and potent factor served to change the entire picture. Cities again offered work to poverty-stricken workers from the land. Countless thousands steered their course to the "boom" towns of defense industry. The attractive wage rates offered for apparently stable tasks, made it impossible for agriculture, with its short-term seasonal jobs at average wage rates, for the country as a whole, of about 16 cents per hour, to compete (31, 1942:52-58; 15; 26, pp. 45-62).

The immediate reaction among many Government officials was one of relief. The problem of assuring a reasonable level of existence for farm laborers seemed to be rapidly solving itself for the present at least. The reaction was short-lived. Food for Britain - Food for Freedom - Food for Victory - Food to Win the Peace - were recurring slogans. The threefold task of supplying necessary food and fibers to our armed forces, our civilian war workers, and to the countries of the United Nations, demanded the greatest production in the history of American agriculture. Simultaneously, agriculture faced a constantly increasing drain on its labor resources by the armed forces and the competitive demand of other industries (19, 36; pp. 1, 3; 23, pp. 1-3).

The expanded production required greatly increased numbers of man-hours even for the effectively organized agriculture of the forties. Many of these were met by longer hours and by still greater effectiveness in organization and methods on the part of the farmers themselves. Still, the net result was an increased demand for hired labor. Wages offered were increased. But the wide span between planting and marketing was both a psychological and economic barrier which prevented farmers from

making any very rapid upward adjustments immediately, even though the anticipated increased production with rising prices for farm products could be expected to increase the ability to pay. This factor, coupled with the exceedingly low level to which farm-wage rates had been depressed during the thirties, prevented the wide disparity between industrial and agricultural wage rates from being narrowed to any appreciable extent. Farmers did not have industry's cash reserves nor as many guarantees and insurances against various risks. They could not enter into general competition for labor. Yet food was basic to the war (21).

Measures to counteract the drain of laborers from agriculture were taken. Special consideration was accorded under Selective Service laws and War Manpower regulations; better facilities were provided for routing migrants to jobs, for housing, and for sanitation; foreign workers were imported; city youth, women, old men, "vacation" workers were recruited. As they were largely in the formative stages, the full force of these measures was hardly felt in the fall of 1942 (31, pp. 52-54, 34, May 1943, pp. 1-12; 21).

This was the situation when Secretary Wickard protested the control of agricultural wages in the manner provided for industrial wages, in the fall of 1942. Even though the mentioned programs were getting under way, it was considered hopeless for agriculture to attempt to compete generally if the wage rates in effect at the time could be the only inducement. Other controls might be devised to force workers to stay in agriculture, but it was not considered in keeping with any principles of fairness to force them to remain at exceedingly low levels of income. This, according to Mr. Wickard, in his memorandum to Mr. Byrnes, would constitute a gross inequity to the farm workers.

Factors During the War Years

War brought far-reaching manpower and material shortages. Pressures on prices and wages were upward. Industrial wage earnings increased. Prices increased. Farm-wage rates increased. Production - industrial and agricultural - also increased, to unprecedented heights. It was feared that unrest incident to chaotic inflation would have a retarding effect on production and on the war effort. By 1943, "Hold the line" became a watchword. Price controls were applied to more farm products (40, 8:4681; 38, Jan. 1944). 2/

Workers recruited from foreign countries greatly relieved the farm-labor scarcity in many areas and crops. Interstate transportation of domestic workers and improved recruitment and placement facilities brought better utilization of the available labor. Yet, increased demands for labor brought farm wage-rate spiraling, pirating of labor, increased labor turnover, and near chaos in the farm labor market in many areas (25, 1945: 762-766; 28, 1945: pp. 260-262).

2/ Also files and records of the Office of Labor, War Food Administration.

The Program's Objectives

Secretary Wickard's memorandum formed the basis for the immediate objectives of the program. The Economic Stabilization Director's regulations of November 30, 1942, indicated that the decision with regard to control of agricultural wages was predicated on three findings:

. . . that [1.] the general level of salaries and wages for agricultural labor is substandard, that [2.] a wide disparity now exists between salaries and wages paid labor in agriculture and salaries and wages paid labor in other essential war industries, and that [3.] the retention and recruitment of agricultural labor is of prime necessity in supplying the United Nations with needed foods and fibers (40,7:10024).

On the basis of these findings, the same section of the regulations indicated, in effect, that the immediate purposes of the agricultural program, as then set up were: [1.] ". . . to correct and adjust these gross inequities, and [2.] to aid in the effective prosecution of the war . . ." (40,7:10024). [3.] Increasing wage and salary payments up to a level of \$2,400 per annum were not considered inflationary per se. That is, in a period of shortages of labor, the inducement to workers to stay in agriculture provided by this generally high ceiling was expected to result in greater production. This greater production would in itself provide a greater brake on inflation than holding the low farm-wage rates down. This ceiling or bench-mark of "\$2,400 per annum" at which more positive controls were to take effect, was continued in all later revisions of the regulations, even though some control of wage rates below this ceiling was later provided.

From this, the following may be set forth as the basic objectives of the original program:

- (1) To permit agricultural wage rates that would be adequate for retention and recruitment of labor necessary to essential agricultural production.
- (2) To permit reduction in the disparity between agricultural and industrial wages.
- (3) To permit a rise in the general level of agricultural wages.
- (4) To prevent inflationary pressures on prices by preventing uncontrolled spiralling of agricultural wages above the general level of \$2,400 per annum.

These objectives appear to be clearly indicated by the discussions, conferences, and memoranda that form the background of the

3/ Of course the ultimate objective for the agricultural program as for the entire program was stabilization of the economy. Correcting inequities was not an end in itself but only a means for minimizing unnecessary migration of labor. See above.

program. 4/ They seemed in part lost sight of, however, during the program's administration. Two of the reasons were: (1) the individuals responsible for the initial planning were soon divorced from further contact with the program as a result both of reorganizations within the Department of Agriculture and of individual transfers to other work; (2) in the initial stages - while the permissive objectives were paramount - no direct administration of the program by the Department was necessary. Administration of the restrictive objective was still vested with the War Labor Board and the Bureau of Internal Revenue. When authority for the restrictive phase of the program was transferred to the War Food Administration, the fourth objective became the "program" to those responsible for planning and administering it at that time. 5/ It was natural that this should be so, with the Nation at war and with the program basically founded on a concept of direct control.

After some experience with active administration of the program, control of wage spiraling was found to have several concomitant and secondary effects. The labor market became less chaotic as labor pirating by employers decreased, rumors of higher rates in other localities subsided, "shopping around" by workers for higher rates practically ceased, and labor turn-over was reduced. Growers and workers benefited in terms of increased production, stabilized production costs, increased net earnings, and improved employer-employee relationships. 6/

In view of these rather unexpected results, the horizon of the program was enlarged. The purposes of the program became more complex and its objectives broadened. On January 26, 1944, the new objectives were officially stated in the following words.

Wage Stabilization is of interest to farmers from two points of view, first as a means of preventing inflation; second, as a means of helping to stabilize the conditions of labor supply.

4/ Wickard, Memorandum to Byrnes. Also memoranda in the files of the Office for Agricultural War Relations, and particularly a memorandum entitled "Suggested Organization of Labor Activities in the Office for Agricultural War Relations," dated October 23, 1942. This memorandum outlined proposed functions for a Division of Wage Stabilization and for State and area Agricultural Wage Boards.

5/ The authority delegated to the Secretary of Agriculture by the Economic Stabilization Director on November 30, 1942 (40,7:10024) was transferred to the Food Administration, or more specifically to the Administrator of Food Production and Distribution, on March 26, 1943, by Executive Order 9322 (40,8:3807). With the creation of the position of War Food Administrator on April 19, 1943, by Executive Order 9334 (40,8:5423), the authority was transferred to that official. On December 9, 1943, the jurisdiction over wages and salaries between \$2,400 and \$5,000 per annum formerly held by the War Labor Board and the Bureau of Internal Revenue was transferred to the War Food Administrator (40,8:16702). Jurisdiction remained with the War Food Administration until that agency was dissolved on June 29, 1945, by Executive Order 9577 (40,10:8087) and its functions transferred to the Secretary of Agriculture. The program continued under the Secretary until all wage controls were terminated on November 9, 1946, by Executive Order 9801 (40,11:13435). Also see chapter 3 and Appendix.

6/ See chapter 6.

- (1) From the first point of view, farm wage stabilization is a means of preventing increases in wages likely to lead to such increases of labor costs as would endanger the stability of prices.
- (2) From the second point of view, wage stabilization assists in the control of farm wage rates, in relation to industrial wage rates, so as to prevent undesirable shifting of manpower from agriculture to industry or vice versa.
- (3) Wage stabilization also is a means of preventing "wage spiraling" due to competition between farmers for labor.

The ban upon wage increases tends to prevent the "pirating" of labor by one farmer from another, also the constant shifting of personnel among the labor force on the farm and the consequent loss of working time (45,25, p. 3).

By 1946, these objectives had become simply to (1) prevent wage spiraling due to intensive competition between farmers for labor, leading to pirating of labor, high labor turn-over, loss of working time, and loss of earnings to workers; and (2) control of agricultural-labor costs in relation to price control as a means of avoiding inflation (28,1947:329-330).

These objectives and emphasis in operation of the program became more directly aimed at stabilizing the labor market. The introduction of this objective was in keeping with the purpose of the entire administration program to stabilize the economy (40,7:7871).

CHAPTER 2. HOW THE PROGRAM OPERATED

The year 1946 was the last year of agricultural wage-stabilization operations. The status of the program at that time should reflect the program with all its refinements. Although an analysis of the program's development and achievements will be detailed in later chapters, it may facilitate analysis to depart from a chronological accounting and quickly view the whole program as it operated during 1946. 7/

The regulations basic to the farm wage stabilization program provided that increases in farm wage or salary payments up to \$2,400 per annum could be made by employers without approval unless deter-

7/ All information stated as fact in this and later chapters, unless otherwise documented, is based upon personal experience and knowledge of the author gained while serving as Chief of the Wage Stabilization Division during the crop year 1946.

minations of different maximum permissive rates had been issued for specific areas, crops, classes of employers, or otherwise (40,8,11960,16702;9:6035). 8/ The "\$2,400 per annum" was popularly called the "general regulations" or, more properly, the "general ceiling" (40,9:655). 9/ The particular "determinations" were popularly called "specific wage ceilings" but were officially designated as "Supplements" to the Specific Wage Ceiling Regulations (40,9:831;10:3180).

During 1946, the term "\$2,400 per annum" was defined as \$200 per month or the equivalent daily, hourly, or piece-work rate. The specific wage ceilings contained varying rates, dependent upon the particular findings and determination for the particular crop or area. If employers wished to pay legally rates that were above either the general or the specific ceilings, they were required to obtain approval from agents of the Secretary of Agriculture to whom such authority had been delegated (40,9:655).

Authority to administer the program was delegated to the Wage Stabilization Division of the Labor Branch, Production and Marketing Administration. This Division operated under the general supervision of the Director of the Labor Branch. It carried out the program in the States through a system of voluntary wage boards designated as State-USDA wage boards, assisted by an executive officer and other full-time paid personnel as required for the operations in the respective States.

Granting Increases in Wage Rates

Employers could obtain approval to pay at rates above the equivalent of \$2,400 per annum by making application in one of three ways. 10/

(1) By Individual Application

Each employer could apply for permission to increase wage rates for one or more jobs. Although a specific form was provided for making such application, requests by letter were also accepted (40,11:177a-291). The burden of justifying the proposed increase rested in every instance with the applicant. The application was directed to

8/ The regulations also provided that decreases in wage payments could be made without approval, except that the wages paid to a particular worker for a particular job could not be reduced below what had been paid that particular individual for performing that same work between January 1, 1942, and September 15, 1942 (40,8:16702). Only one or two requests for approval of such decreases were received from employers and no complaints about such decreases were received from workers during the operation of the program. Therefore, no further attention need be given to this phase of the program.

9/ See also chronology of Regulations in Appendix.

10/ United States Department of Agriculture, Production and Marketing Administration, Labor Branch, Wage Stabilization Division Memorandum 1-11, 1946 [unpublished].

Washington, D. C. for all States except California, Idaho, Oregon, Texas, and Washington. In these States authority to grant approvals had been delegated to State-USDA wage boards.

Approval of the proposed increases could be granted only if the increases were found to come within certain broad standards contained in the regulations (40,10:7609; 11:5903). These standards can be rephrased in terms of the following questions:

(a) Is the increase necessary to eliminate gross inequities among time and piece-work rates paid on the same farm or other farms in the locality?

(b) Is the increase necessary to adjust up to the average of the going rates paid for the same work in the same labor market?

(c) Is the increase a reasonable adjustment in cases of promotions, reclassifications, merit increases, and incentive payments?

(d) Is the increase necessary to correct substandards of living?

(e) Is the increase necessary to make the average increases since January, 1941, equal the percentage increase in cost of living between January, 1941, and September, 1945? (This percentage increase was by regulation deemed to be 33 percent).

(f) Is the increase necessary to correct inequalities between immediately inter-related job classifications which have arisen because of elimination of substandards of living or applicability of the cost of living standard?

(g) Is the increase necessary to eliminate gross inequities between jobs in agriculture and jobs in other activities in the locality requiring comparable or related skills?

If analysis of the application revealed that one or more of the above questions could be answered in the affirmative, a notice of approval was issued to the applicant. If a lesser rate than that requested was approvable, approval to increase to such lesser rate would be granted. If none of these questions could be answered affirmatively, in whole or in part, the application was denied.

(2) By Joint Application

A number of employers in an area producing the same or similar crops could present a joint application for approval to increase uniformly the wage rates paid in their individual operations. 11/ Approval had to be based on the same standards as for individual applications. As these were actually individual applications presented together, notices of approval or denial were sent to each employer listed in the application. An advantage of this approach was simultaneous action on

11/ Such applications were usually received from organized associations of producers. For example, one application was received from an association of florists in the Chicago area which encompassed the operations of 80 employers.

the rates for all the employers assuring equitable relationships between the rates permitted. It also saved handling time.

(3) By Group Application

A majority of the producers of a commodity in a particular area who participated in a meeting or referendum held for the purpose of determining whether a specific ceiling should be invoked, could request the Secretary of Agriculture to intervene and prescribe a ceiling for operations in that commodity different from the rates equivalent to \$2,400 per annum. When such a request was received the State-USDA wage board held public hearings to get information upon which to base recommendations regarding the area, crops, and operations to be affected, and the ceiling rates to be promulgated. Employers, employees, and all other interested parties were given opportunity to testify regarding the type of work to be controlled, the area and crops to be affected, past and current wage rates paid, and related matters. The hearings were informal but complete transcripts of the entire proceedings were made (40,10:9581). On the basis of information obtained at these hearings and from other independent sources, the wage board prepared its recommendations. In certain large areas, several hearings were held. In one case, seven hearings were held before the wage board was satisfied that it had information adequate to the preparation of a recommendation. 12/

Because the group application did not include signatures of employers and because all employers in an area might not be represented or might not favor wage-rate intervention, no State wage board was delegated authority to make final determination with regard to a specific wage ceiling. The board could only recommend to the Director of the Labor Branch that a specific wage ceiling be promulgated. 13/ If the board recommended maximum rates for specific tasks or operations and these, or some modification thereof, were approved by the Director of the Labor Branch, these were authorized under a specific wage-ceiling order or "supplement." Thus, individual approval or denial notices were not issued. 14/

The specific ceiling order was published in the Federal Register. It authorized any and all employers in a defined area to increase their wage rates for certain defined operations, without individual approval,

12/ Unpublished transcripts of hearings for specific wage ceiling on cotton harvest Mississippi-USDA Wage Board, August, 1946.

13/ See footnote 10, page 11. Memo. 4-46.

14/ See footnote 10, page 11. Memo. 4-46.

up to the rates published in the order. 15/ It also forbade payments at rates in excess of these ceiling rates, except as might be approved under the adjustment procedure provided in the Specific Wage Ceiling Regulations (40,9:831).

No standards for determining specific wage-ceiling rates, such as those applicable to individual adjustments, were provided in regulations. In determining the rates to be approved and promulgated, certain broad factors were considered. These included the ". . . historical and current record of tested and going rates for the particular work in the area affected, extent of wage rate spiraling and labor turnover, disparity between wages and salaries in agriculture and other industries, need for retention and recruitment of agricultural labor, relationships between rates for inter-related job classifications, general rise in cost of living, substandard level of wages, average crop conditions in the area, and related matters . . ." 16/

These factors were sufficiently broad to encompass the standards used for individual applications. For specific ceiling rates above \$2,400 per annum, the weight given to the various factors was restricted by administrative policy to that permitted by the standards for individual applications.

Technique for Preventing Unwarranted Wage Increases

The specific wage-ceiling technique also served another purpose. It will be recalled that wage rates below \$2,400 per annum could be increased without approval unless determinations of different maximum permissive rates had been made. In areas where wage rates were well below this figure, chaotic wage conditions with detrimental effects on stability of labor supply and on production sometimes occurred. In such instances, specific ceilings with rates below \$2,400 per annum were established. These served as a brake on further increases and required a roll-back to the ceiling of rates which were above at the time. During 1946, a finding of excessive wage-rate spiraling, labor pirating, and labor turn-over, which could be expected to result in loss of production, was required before such ceilings would be established. 17/ Actually the occasions requiring ceilings for this purpose during 1946 were rare. Ceilings were more prevalently employed for this purpose during earlier years of the program, before wage rates approached an equivalent to a rate of \$2,400 per annum.

15/ See footnote 10, page 11. Memo. 4-46.

16/ See footnote 10, page 11. Memo. 1-46.

17/ See footnote 10, page 11. Memo. 5-46. Policy governing determination of specific ceiling rates.

During an earlier period the phrase "\$2,400 per annum" was interpreted to mean an annual wage or earning rather than a wage rate. During this period specific ceilings were also imposed to prevent further increases in wage rates that were already above what might have been interpreted as rates equivalent to \$2,400 per annum. Actually the ceiling concept originated for this purpose. (The shift from an earning to a rate concept and the development of other concepts and policies relative to this phase of the program are discussed in detail in Chapter 3).

Additional Adjustment Under Specific Ceilings

Theoretically, the various bases on which wage increases could be approved on an individual application had been "used up" when a specific ceiling had been issued with rates above \$2,400 per annum. This, however, was not true for every individual case. The rates in the specific ceiling had to be related to average crop or other conditions in the area. As most specific ceilings encompassed piece-rates, they also had to be geared to the average productivity of the average worker in this average or normal crop. ^{18/} An inflexible ceiling would cause hardships as a result of conditions beyond the control of either employer or worker. Therefore, an additional adjustment feature was provided.

Conditions that affected the earning capacity of the average worker, such as low yields, hillside picking, tall trees, abnormal field, weather and atmospheric conditions, provided grounds for additional individual adjustment. Adjustment could also be granted on the basis of the employer's remoteness from the labor supply, lack of housing facilities, and similar circumstances that affected the "real" wages to the employee (40,10:3180).

Either an employer or a worker could request such adjustments in the specific ceiling rate for a given operation as appeared necessary in order that the employer could get and retain workers, and the workers affected could be adequately compensated for working under less favorable working conditions. A special application form was provided (40,11:177A-291). The burden of justifying an increase was placed on the applicant. The application was directed to the State Wage Board, which had authority to deny or to approve in whole or in part.

In practice, these applications were submitted through local wage stabilization advisory committeemen, who served without compensation, or through paid fieldmen working under general supervision of the State wage board. The local fieldman or committeeman inspected the field

^{18/} Actually effort was made to promulgate wage rates which would permit 75 to 90 percent of the crop to be harvested without individual adjustment.

or orchard and added his recommendations in the space provided on the form. Actually, the applicant often made the initial application by telephone and it was only after the inspection that the application was reduced to writing, and was signed. For some ceilings, a committeeman and fieldman operated as a team; for others the recommendation of two or three committeemen was required. In a few cases joint committees of grower and worker members passed on the application. The committeeman or fieldman then forwarded the application to the Wage Board for final action.

In most States, if the committeeman or fieldman recommended an increase, the employer was authorized to place the new rate in effect immediately. He was required to roll the rate back, however, if the recommendation was later reversed by the wage board. No penalty would apply to the rates paid during the interim period. The applicant usually retained one copy of the application form with the committeeman's recommendation as evidence that he had applied. In this way the flexibility and rapid action necessary to prevent losses in perishable or "flash" crops were assured.

After action by the wage board or delegated representative, the "Notice of Action on Wage Adjustment" portion of the application form was completed, and one copy was returned to the applicant for his records. If the action involved approval of an increase in rate, a "Notice of Approval of Wage Adjustment" would also be prepared and transmitted to the employer. By regulation, the employer was required to post this notice in a conspicuous place at the location involved (40,10:3180).

Reconsideration of Specific Ceilings in Effect

The regulations provided for reconsideration of wage supplements upon petition from any interested party (40,10:7609). No provision for periodic review was made until August 1, 1946, when instructions were issued requesting at least one review each season. The pertinent part of the text of these instructions is quoted.

With changing economic conditions, both within the area to which a specific ceiling order applies and throughout the economy generally, certain changes in the ceiling orders may become either necessary or desirable However, to assure equitable administration of the agricultural wage stabilization program, ceiling orders in effect more than one season should be reviewed even though a petition for reconsideration has not been received.

Wage Boards are requested to review each existing ceiling order a reasonable time in advance of the start of the operations for the current season. This review should include review of definitions, area covered, applicable rates, adjustment policies, etc. Subsequent to such review a report should be submitted to the Wage Stabilization Division, Labor Branch, PMA, Washington 25, D. C. This report may be in memorandum or letter form but should contain the following items:

- a. Supplement number
- b. Findings of fact
(This should include findings based on experience from previous years, changes in various factors previously considered, and new factors)
- c. Conclusions and Recommendations
(Recommendation for a revision, as for an original ceiling, requires concurrence of a majority of the Board.)

When a supplement is being reconsidered, factual information from any available source may be utilized. Public hearings in each case are not required. However, if a substantial change in rates appears necessary, it is considered good policy, from a public relations viewpoint to hold a hearing. A formal hearing is, of course, legally necessary if it appears that the area, commodities or operations covered should be extended. The Wage Board is in the best position to determine whether a hearing is needed in the particular case . . . 19/

Compliance Procedure

To secure cooperative compliance with the program, educational meetings, newspaper articles, radio broadcasts, and similar means were utilized to acquaint growers and workers with the purposes of the program, the benefits demonstrated by experience in different areas, and the mechanics of handling applications for adjustment. Voluntary committees, particularly when composed of both growers and workers, aided greatly in obtaining compliance.

When these cooperative methods did not suffice, "talking tough" often brought about the desired results. To make this possible, the regulations provided for administrative sanctions and criminal penalties for violations and evasions. The only administrative or economic sanction used was the one which authorized the Director of the Labor Branch to determine and certify all or part of the amount of wages paid in contravention of the Stabilization Act to the Commissioner of Internal Revenue. The amount paid in contravention of the Act included the total wages paid, and not merely the amount paid as computed from the extent to which the wage rates paid were above the legal ceiling rates. When this certification was made, the Bureau of Internal Revenue disregarded such amount in calculating an employer's labor cost for deductions for income-tax purposes. Violations by either employer or employee were also subject to criminal prosecution. The maximum penalty involved a fine of \$1,000 or 1 year's imprisonment, or both. 20/

19/ See footnote 10, page 11. Memo. 6-46.

20/ These sanctions and penalties, based on Section 5(a) and Section II of the Stabilization Act of 1942 (38; 58:632) may be found in The Federal Register (40,9:655).

Preliminary investigations of complaints and rumors of violations were made by the State wage board executive officer or members of his staff. If such investigation revealed indications of a definite violation, the wage board could either have the executive officer make a more detailed investigation or he could request the Compliance and Investigation Branch of the Production and Marketing Administration to send a trained investigator into the area to carry out such investigation. The general policy was not to instigate a detailed investigation until after effort had been made to rectify the problem by some means such as getting the employer back in line, granting an adjustment if justified, or informing the employer of the procedure to follow in using the labor-supply facilities of the Department.

As the basic purpose was to stabilize wages, offenders were punished only when their actions threatened accomplishment of this purpose. When a wage board decided action was necessary, a detailed investigation was carried out. Upon completion of the investigation, the investigator submitted a report to the wage board, sending a copy to the Regional Attorney of the Solicitor's Office of the Department of Agriculture. (For States in which wage boards did not have authority, these reports were submitted to the Director of the Labor Branch and the Solicitor's Office, Washington, D. C.)

If analysis of the report revealed sufficient basis for taking action, the wage board conducted a hearing. Notice of the hearings was served on the alleged violators at least 10 days before the date set. Testimony was under oath and a written transcript was made. A lawyer from the Solicitor's Office presented the case for the Government. The respondent had the right to counsel of his own choosing. Findings and recommendations were forwarded to the Director of the Labor Branch, and a copy was served on the alleged violator. The respondent was given 10 days to file exceptions or objections before an order was prepared and served by the Director. After such service, the respondent was given an additional 5 days to petition for reconsideration. In cases in which wage boards did not wish to conduct the violation hearings, they were authorized to request the Solicitor's Office to appoint an "examiner" to preside as hearing officer. For States not having wage boards, the Director was responsible for conducting the hearings or requesting appointment of an "examiner" (40,9:655,831). 21/

Administrative Supervision and Control

The detailed discussion of this topic is given mostly in later chapters. It is sufficient at this point to indicate that, by regulation, copies of transcripts of all hearings and of all wage adjustments granted by wage boards were transmitted to the Wage Stabilization Division, Labor Branch. The Washington office had authority on its own initiative to

21/ See chapter 5 for number of violation cases and character of sanctions.

reopen for reconsideration any adjustment or other action taken in the field. This was never done except in cases of recommendations for specific ceiling rates or specific sanctions in violation cases. Monthly reports on adjustments handled under specific and general ceilings, on personnel employed, and funds obligated were required during the last year of operations in addition to the special reports previously mentioned in this chapter. 22/

CHAPTER 3. HOW THE PROGRAM DEVELOPED

As the cumulative effects on labor supply and wage rates of the war boom became increasingly evident, early in 1943, agricultural wage rates in many areas jumped to inordinately high levels. Daily earnings as high as \$20 to \$25 per day were reported for hand laborers in certain crops in California and Florida (25,1945:828). The permissive objectives of the program were apparently being attained and in some instances exceeded. In the meanwhile, price ceilings had been set on many farm commodities. It was time to take action to prevent farm-wage rates from getting out of hand (25,1945:828-829). 23/

It will be recalled that under the original delegation of authority, the Secretary of Agriculture had authority to determine when increases in salaries or wages for agricultural labor could no longer be made without approval. Agricultural labor was defined to include only workers employed on farms whose salaries and wage payments were not in excess of \$2,400 per annum. The Secretary was also responsible for determining when salaries and wage payments to agricultural labor were being made in contravention of the Stabilization Act. 24/

To take action under this authorization presented difficulty. Salaries and wage payments being made to agricultural labor could be in contravention of the Stabilization Act only if increased above \$2,400 per annum without approval. By definition, workers whose wage payments

22/ See footnote 10, page 11. Memo. 9-46, 11-46.

23/ William H. Metzler, Social Science Analyst of the Bureau of Agricultural Economics reported that numerous records of earnings of Filipino asparagus cutters in California showed earnings from \$40 to \$50 a day in March, 1943, and that earnings of \$20 were average. Metzler, Memorandum to Dr. Carl C. Taylor, Head, Division of Farm Population and Rural Life, B.A.E., Jan. 19, 1949.

24/ See also Chapter 1.

had been increased above this level were no longer agricultural labor but nonagricultural labor. As such, their wages were under the jurisdiction of the National War Labor Board and increases could be made only by approval of that agency. If such increases had been made without approval, it was presumably the duty of the Department of Agriculture to determine that the increases had been made in contravention of the act. However, under the permissive phase of the program it was the policy to permit a rise in farm-wage rates. Only by so doing could the substandard level of agricultural wages be changed and the disparity between agricultural and industrial wages be decreased so that workers could be recruited for and retained on farms (40,7:8748,10024).

Generally, therefore, no action by the Department of Agriculture was required during the initial phases of the program. With daily earnings on farms spiraling to \$20 to \$25 per day, however, for particular operations in certain areas the question arose as to how these rapid increases could be controlled. When were salaries and wage payments in excess of \$2,400 per annum? Certainly \$25 per day for hand labor in harvest could hardly be considered as substandard or as necessary to recruit and retain workers. But, were these payments within the jurisdictional control of the Department? Did the phrase "\$2,400 per annum" mean wage payments to a worker during any one year by one employer? Did it mean all payments made to one worker regardless of the number of employers? Did it mean payments at a rate of \$2,400 per annum or at rates equivalent to a rate of \$2,400 per annum?

Obviously, the language of the regulations was open to interpretation. Interpretation of \$2,400 per annum as either an annual wage rate or an annual wage would create problems. In retrospect, from the viewpoint of administrative practicability and of usual concepts of labor economics, it appears that interpretation of this phrase as meaning a wage rate would have been the only logical course (47, pp. 195-196). But this interpretation was not followed. The phrase was interpreted to mean an annual wage or earning despite the fact that what was originally intended was very probably payments at rates in excess of \$2,400 per annum. 25/

Although this interpretation was developed, the Department took no immediate action to promulgate it officially. For workers on an annual or even a monthly salary basis this interpretation provided a fairly reasonable basis for control but both wage rates and earnings of seasonal farm workers continued to increase without apparent restraint.

25/ The author has found no specific written explanation of the reasons for the earnings interpretation. However, certain probable reasons become apparent when attempt is made to reconstruct and analyze the known circumstances surrounding this decision. These reasons, together with further evaluation of the problems stemming from the decision, are contained in chapter 8.

As far as the author has been able to learn, no applications were made to the War Labor Board for approval of wage increases for seasonal workers on farms. Actually the seasonality of agricultural work, the high rate of labor turn-over, the migration of workers over large areas, the lack of any requirements that workers report earnings, all acted together to make the concept of earnings of \$2,400 per year practically meaningless as a point of demarcation for controls, except for workers employed on an annual basis. This was true, in spite of the exceedingly high daily earnings reported for certain farm workers in California and Florida, in early 1943. After all, these workers in asparagus, beans, and similar crops worked for the same employer only a few of the days or weeks of a short season. No one employer paid any one employee an amount anywhere near \$2,400 during any 12-month period, for this work. Neither an employer nor a Government agent had any means of learning just how much a worker had previously earned during the calendar year (8). 26/

Development of Basic Program Concepts

With wage rates for seasonal crops spiraling in this way, something had to be done. Representations from the California Asparagus Growers Association finally broke the log-jam of seeming indecision (13, p. 7). The U. S. Department of Agriculture appointed a wage board in California to hold hearings and to determine what should be done about wage rates in the harvesting of asparagus.

On April 8, 1943, President Roosevelt issued the "Hold-the-line" order (40,7:4681). This provided further support for immediate action. "There are to be no further increases in wage rates or salary scales beyond the Little Steel formula, except where clearly necessary to correct substandards of living." 27/ On April 12, 1943, the Administrator of Food Production and Distribution issued an order promulgating certain maximum wage rates for harvesting asparagus in four California counties (40,8:4818). 28/

This was the first specific wage-ceiling order. The order avoided a finding that wages paid were in contravention of the act because they resulted in wage "payments in excess of \$2,400 per annum." It avoided a "determination" that increasing payments to rates above those in effect would be in contravention of the act. The finding was

26/ This is discussed in more detail in later pages.

27/ The White House, a press statement by the President, April 8, 1943, accompanying Executive Order 9328.

28/ This order was revoked on January 20, 1944 and reissued on the same date as Specific Wage Ceiling Regulation No. 1 (40,9:833). On April 17, 1945, it was renamed "Supplement No. 1" (40,10:4196).

simple, ". . . the wages of the asparagus workers . . . in the counties mentioned are not substandard . . ." The order was equally simple - ". . . no increases in these wages above the rates set forth below shall be made without approval of the Administrator of Food Production and Distribution . . ." (40,8:4818). 29/

George W. Hill, describing the origin of the first agricultural wage-ceiling order, in testifying on the Agriculture Department Appropriation Bill for 1945 on February 25, 1944, said:

There were two fundamental reasons for us attacking the problem in this way. One was the directive of the President to "Hold the line" and not to allow wages to spiral to the point where the cost of living would rise too high. Then, from the practical point of view, we knew that if we could get wages stabilized at a fair level, that would stop labor from running up and down highways looking for farms where they could get 2 cents or 3 cents more per hour, as had been done throughout the past, with a consequent loss of time and effort (25,1945:829).

On August 24, 1943, and August 26, 1943, similar orders were issued by the War Food Administrator prescribing maximum wage rates for picking canning tomatoes and raisin grapes in certain counties in California. 30/

Thus the specific wage-ceiling phase of the agricultural wage-stabilization program was launched. It was the result of practical necessity and was in response to urgent requests from growers. It was first inaugurated as a brake on spiraling seasonal wage rates that were above the rates that might have been considered equivalent to a rate of \$2,400 per year. Therefore, it provided a means for controlling those rates which, although probably at or above rates mathematically equivalent to \$2,400 a year, did not result in actual earnings of that amount or more, per year. At least by definition, the maximum rates promulgated by the ceiling orders had to be below \$2,400 per annum, as defined. If not, their promulgation would have been beyond the jurisdiction of the Department of Agriculture. The specific ceiling program was found to provide beneficial effects to growers, to workers, and to the wartime economy. From there it just grew. Its growth and its nature were shaped by a number of forces. Some changes were premeditated by those in charge, others by growers or workers, and others just seemed to happen.

29/ For transfers of jurisdiction from the Secretary of Agriculture to the Administrator of Food Production and Distribution and later to the War Food Administrator, see footnote 5.

30/ These orders were revoked and reissued on October 31, 1944, as Specific Wage Ceiling Regulations No. 38 & 37, respectively (40,8:11779,11844).

The regulations of the Economic Stabilization Director were revised on August 28, 1943, to incorporate into one document the amendments that had been made during the year. This revision, among other changes affecting agriculture, redefined the term agricultural labor to encompass farm workers ". . . whose salary or wage payments exclusive of bonuses and additional compensation and without the contemplated adjustment are not in excess of \$2,400 per annum" (40,8:11960). The underlined material was added by this revision.

This change raised the line demarcating the jurisdiction of the War Food Administration by discounting bonus payments in the computations and by permitting the Administrator to approve adjustments which would result in payments in excess of \$2,400 per annum. It did not clarify the problem of earnings versus rate. It made no change in the definition of agricultural labor. Therefore, except for the bonus consideration, specific ceiling orders still had to promulgate rates which would result in earnings of less than \$2,400 per annum. Two additional ceiling orders were issued in 1943, one on October 8 for picking cotton in certain areas of California and one on November 25 for harvesting citrus fruit in Florida, making a total of five for that year (40,9:9042;8:13884).

In response to representations from the War Food Administration, the regulations of the Economic Stabilization Director were again changed on December 9, 1943. This time the hazy line marking the upper limits of the authority of the War Food Administration was clarified. This was done by definition:

The term "agricultural labor" shall mean persons who are employed in farming in any of its branches, including among other things the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of agricultural or horticultural commodities, and the raising of livestock, bees or poultry; Provided, however, that the term "agricultural labor" shall not include any person whose salary payments, exclusive of bonuses and additional compensation and without regard to the contemplated adjustment, are at a rate, computed on an annual basis, which exceeds \$5,000 per annum (40,8:16702). 31/

This amendment clearly defined the upper limits of the War Food Administrator's jurisdiction on a rate basis. It placed complete authority and responsibility for implementing the general wage policies

31/ This effectively removed any jurisdiction over payments to farm workers from the National War Labor Board as by regulation of August 28, 1943, jurisdiction over all salaries paid at a rate which exceeded \$5,000 per annum when converted to an annual basis, was vested with the Bureau of Internal Revenue.

and for administering the program for farm-wage stabilization squarely with the War Food Administrator. The problem of interpreting the phrase, "\$2,400 per year," was not so clearly answered. The policy of permitting farm-wage payments to be increased, without approval, to \$2,400 per annum, was not changed. An attempt was made to clarify and liberalize it, however, by defining the phrase as follows:

As used in this section, the phrase "\$2400.00 per annum" shall mean \$200.00 a month, or the equivalent weekly, hourly, piece work rate or comparable basis, except that in individual cases, salary or wage payments may be more than \$200.00 a month or the equivalent rate for not exceeding sixty days in any one year, if the aggregate wage or salary payments to the laborer, from all sources, are not more than \$2400 for that year (40,8:16702).

At first glance this definition appears to recognize that "\$2,400 per annum" should be interpreted as a rate. Analysis reveals that the exception nullifies the rate concept indicated in the first part of the definition and places the rate on a total-annual-earnings concept. But the change in definition of agricultural labor and of the War Food Administrator's jurisdiction did open the way for specific wage-ceiling determinations above "\$2,400 per annum" no matter how the term was defined. It was not until after this broader delegation of authority that detailed regulations to implement the basic authority were developed by the War Food Administrator. These were first issued on January 17, 1944, over a year after the first delegation of authority to the Department of Agriculture (40,9:655).

Experience gained during 1943 proved extremely valuable as a basis for practical regulations. In fact, the principal effect of these regulations was to tie together the practices that had developed during the year and the broad wage policies of the Economic Stabilization Director. In brief, in addition to reiterating or interpreting policy from the general regulations of the Economic Stabilization Director, the regulations provided:

- (1) Delegation of authority to act for the Administrator, to the Director, Office of Labor, War Food Administration.
- (2) Authority for the Director of Labor to establish State WFA Wage Boards to carry out certain delegated functions in the States.
- (3) Interpretations of the definition of agricultural labor to clarify the status of certain borderline cases such as workers in greenhouses.
- (4) For the later issuance of specific wage-ceiling regulations.
- (5) Procedure for recommending the establishment of specific wage ceilings.
- (6) Procedure for applying for approval for wage increases.
- (7) Procedure for determining violations and imposing sanctions.

Provisions regarding standards for approving increases, limitations on increases, salary or wage decreases, and penalties, were in basic substance directly based on the general regulations of the Economic Stabilization Director (40,8:16702).

Three days later, on January 20, 1944, the War Food Administrator issued the Specific Wage Ceiling Regulations provided for in Section 1100.7 of his regulations of January 17, 1944 (40,9:831). The purpose was to establish general provisions basic to all specific wage-ceiling orders. In addition to reiterating the procedure for determining violations and imposing sanctions contained in the January 17 regulations, the provisions included:

(1) Procedure for application for adjustments and for appeals for relief from hardship resulting from the maximum rates prescribed in specific ceiling orders.

(2) General standards to be used by the wage boards in acting upon appeals and applications for adjustments.

By grouping into one regulation the general provisions, which had formerly appeared in each specific wage-ceiling order or determination, the specific orders could be reduced to items that were unique to each wage determination, such as the maximum permissive rates for tasks or operations in the particular crops and specific areas affected.

Everything appeared to be in logical order and all set for the new crop year (1944). But as the season got under way, it became evident that the 60-day exemption period effectively eliminated all controls over wages of seasonal labor unless they were covered by specific wage ceilings. An individual employer could not ascertain the total annual earnings of a seasonal worker. He had authority to pay at any rate for a period of 60 days, provided the worker had not earned a total of \$2,400 in a year. The practical effect was no wage control for seasonal work. Even if the total earnings could have been ascertained, the situation would have been impossible, for if one worker had earned \$2,000 prior to the exemption period and another had earned \$2,200, they would either have to work at different rates during the 60-day period or the one would have to be dismissed before the period expired. After a worker had earned \$2,400, he would have to lay off for the remainder of the year, even if it were midsummer. The regulation specified aggregate wage or salary payments to the laborer, "from all sources" (40,8:16702). 32/ Therefore, he presumably could not take a job elsewhere, in either industry or agriculture. Theoretically, the employer could apply for approval to pay above the general ceiling in such cases.

Although seven new specific wage ceilings were promulgated for California, covering a large part of the seasonal harvest labor, of April and May, a change in the exemption was needed before the country-

32/ See complete quotation of this provision of the regulations in text above.

wide summer and fall harvests were begun. On June 1, 1944, the Economic Stabilization Director amended his regulations to delete the exemption (40,9:6035). The monthly rate of \$200 was specified as being equivalent to \$2,400 per annum. Equivalent weekly, hourly, and piece rates were left to administrative determination. This cleared the way to operate on a rate concept. But the difference between an earning and a rate concept was not yet generally understood and no general attempt was made to clarify it at the time.

Changes Resulting from Budgetary Limitations

The next major change in policy and regulations resulted from the Agriculture Appropriation Act for the fiscal year 1945. This act contained a budgetary limitation which provided that none of the money being appropriated could be expended for establishing a specific ceiling unless a majority of the producers of the commodity to be affected in a particular area requested the promulgation of a ceiling (39,58:425). The delegation of authority from the Economic Stabilization Director, provided that specific ceilings could be promulgated at the discretion of the Administrator (40,8:11960).

The War Food Administrator's regulations were amended on July 1, 1944, to conform to the limitation language in the budget (40,9:7378). The amended regulations were written to require that the requests be in writing and be received before any meetings or hearings could be held in an area. This erected a virtually insurmountable obstacle to issuing specific wage ceilings. Only in relatively small areas of highly specialized crops, are farmers sufficiently well organized to sign spontaneously, without information about a program, petitions requesting such specific action. Actually, requests for specific ceilings were received immediately after this change only from limited areas in which educational work had been carried out before the beginning of the fiscal year.

Prior to the limitation in the Appropriation Act, specific ceilings had been promulgated only when a preponderance of sentiment in favor of them was found in an area (28,1945:112;1946,246). To have done otherwise would have created enforcement problems of practicable magnitude, in view of the small amount of money and personnel available for this work. Realistically, it could have been argued that the Congress had merely a continuation of this policy in mind. Certainly there was nothing in the limitation language to require a request in writing. This requirement was included as a precautionary measure, however, to assure that evidence would be available to prove that ceilings had not been promulgated in the absence of the required majority requests.

On August 8, 1944, the War Food Administrator's regulations were amended again. This amendment permitted educational meetings and hearings either before or after a request for establishment of a wage ceiling was received (40,9:9641). This change was of utmost importance in areas in which there had been no ceilings to serve as

object lessons. It permitted formalized educational meetings and hearings to acquaint both workers and growers with experiences from other areas with respect to ceilings. It provided opportunity for growers and workers to exchange views before producers requested establishment of a specific ceiling.

Producers were not required to request that certain particular rates be established. The requirement was limited to a request that specific wage-ceiling technique be employed to stabilize wages for operations in a particular commodity in an area. To have permitted the request to be conditioned upon the promulgation to a predetermined rate, would have precluded the Administrator from altering the rate in any amount with resubmitting it to the producers for majority approval. 33/ The logic of this limitation is evident when consideration is given to the effect that an opposite policy would have had on the labor market. For example, if producers of one commodity requested a ceiling and it was established, with harvest rates that permitted average workers to earn \$12 per day, and if producers of a second commodity being harvested at the same time in that area, requested a ceiling that would permit earnings of \$15 per day, the workers obviously would shift to the second commodity.

Regardless of the policy of allowing educational meetings and hearings before the written petition was received, the requirement that a written request must be received from 51 percent of all producers, large and small, of a commodity (28,1946:246;8) in an area greatly affected the scope and nature of the program. For example, preharvest operations - such as pruning, spraying, irrigating, and cultivating - involve so many producers of so many different crops, even in a very limited area, that the mechanical job of obtaining and segregating the names to show that 51 percent of the producers of each separate commodity favored wage-rate intervention, effectively prevented specific wage ceilings for such operations. Just as impossible was the job of getting the necessary signatures in a large one-crop area. In 1944, a petition was received containing thousands of signatures of cotton planters in Texas who were scattered over hundreds of square miles. These planters must have had an enormous amount of work and expense, yet the number of signatures fell a few short of the requisite 51 percent of the number of cotton producers in the area, although a vast majority of the cotton acreage was accounted for. To have promulgated a ceiling for something less than the entire continuous area would have prevented attainment of one of the major benefits - that of stabilizing labor supply.

In spite of these difficulties, 32 new orders were issued by June 30, 1945, making a total of 52 in effect during the fiscal year 1945. In addition to being operative in California, Florida,

33/ Wilson R. Buie, Acting Director of Labor, in a memorandum to State WFA Wage Boards, on Wage Stabilization Hearings, August 17, 1944 [unpublished].

Idaho, Delaware, and Oregon, this phase of wage stabilization was extended into Arizona and Washington during the fiscal year.

During the hearings on the Agriculture Appropriation Bill for 1946, the handicap to effective administration of a farm-wage stabilization program resulting from the limiting language of the 1945 Appropriation Act was outlined to the Congress (28,1946:245-246). This brought a revision in the language to permit establishment of a specific ceiling if ". . . a majority of the producers of such commodity within the area affected participating in a referendum or meeting held for that purpose requests the intervention of the Administrator of the War Food Administration" (39,59:136).

The War Food Administrator's Regulations were revised on June 23, 1945 on the basis of this revised budget language. The requirement that the request be in writing was omitted. The word "hearing" was used in place of "meeting" and the regulation was so written as to place the initiative on the wage board to hold a hearing for the purpose of determining whether a majority of the producers participating in such hearing desired intervention by the Administrator. If, after the hearing, the wage board was not satisfied that those present were representative of the entire group of producers of such commodity in the area, it could then conduct a referendum to get a more representative sample (40,9:7609).

This procedure made it possible for the wage boards to take the initiative in promoting the extension of specific ceilings. But substitution of the word "hearing" for "meeting" implied that the hearing should be held before a vote on wage-rate intervention was taken. This again opened the way for a small group of producers to dictate the ceiling rate. This was the same criticism that arose before the limitation clause in the Appropriation Act for fiscal year 1945 was made effective.

If the vote was taken at the end of the hearing or by a referendum after the hearing, nothing could prevent individuals from voting "yes" or "no" on the basis of what they thought the rate would be from information developed in the hearing. If a small group dominated the testimony and built a case to support a certain rate, the voting would practically be on that rate, rather than on whether use of the specific ceiling technique was desired. This was true, even though the wage board stated clearly that the vote was only on the question of intervention. Therefore promulgation of a different rate would have created serious difficulties.

Even if information was available which conclusively demonstrated that an entirely different rate was necessary to stabilize the labor market and prevent inflationary tendencies, to have promulgated such a different rate would have made compliance with the order extremely difficult to attain. Those who had voted in favor would have felt that

the Government had let them down. To have followed the alternative course and not to have issued any order on the grounds that the entire vote was not representative, would have served to defeat the whole program.

Nine ceiling orders were issued while this version of the regulations was in effect. Effective on June 30, 1945, the War Food Administration was terminated and all functions, including agricultural wage stabilization, were transferred to the Secretary of Agriculture (40,10:8087). On July 31, 1945, the Secretary of Agriculture issued an amendment which provided a basis for correcting the difficulty described in the preceding paragraphs. In one paragraph it provided that hearings should be conducted to obtain information basic to establishing wage ceilings in much the same way as had been done in the past (40,10:9581). In a second paragraph it provided that:

A wage board will not recommend to the Secretary a particular supplement to the specific wage ceiling regulations unless a majority of the producers of the commodity covered thereby within the area affected participating in a referendum or meeting held for that purpose request the intervention of the Secretary. Such referendum or meeting may be conducted prior to or subsequent to the public hearing referred to in subparagraph (a) of this section, or the wage board may take a vote at such public hearing on the matter of intervention of the Secretary (40,10:9581).

This amendment brought the wording of the regulations into much closer conformity with the language of the Agriculture Appropriation Act for 1946. It permitted the exercise of discretion essential to efficient and fair administration. If the wage board anticipated a "fixed" hearing or a small representation at the hearing, it could hold a referendum to secure the intervention vote before the hearing. If the area was small and interest was high, so that a large representative group could be expected at the hearing, plans could be made to take the vote at the hearings. This would permit some explanation of the operation of ceiling programs before the vote was taken and would also save the cost of a referendum. If the attendance at the hearing was not as anticipated, it still permitted the third alternative of conducting a "full-dress" referendum vote after the hearing. 34/

Actually, all three alternatives were used, and 35 ceiling orders were promulgated under this language. Although the language was retained for the fiscal year 1947, the vast geographic expansion

34/ K. A. Butler, Acting Director of Labor in a memorandum (No. 7) to State USDA Wage Boards, July 28, 1945 [unpublished].

of this phase of the program came in the fiscal year 1946. From August 17 to October 10, 1945, ceilings were promulgated for 11 additional States - Arkansas, Colorado, Kansas, Maine, Minnesota, Mississippi, North Dakota, Ohio, Oklahoma, South Dakota, and Texas.

Effect of Lawful Rates Paid in 1943

The revision in the War Food Administrator's basic regulations of October 3, 1944, provided that ". . . payments by the same employer of the same salary rates or wage rates for the same type of work for the similar period or season made lawfully between December 9, 1942, and December 9, 1943, may be made without approval of the Administrator" (40,9:12117).

Because of the seasonality of agriculture, rates for some operations are in effect for only a very short period of each year. 35/ During the 1944 harvest, the question was raised whether approval was necessary to pay at rates above \$2,400 per annum if such higher rates had been paid the previous season. The logical answer was that approval was not necessary if the higher rate had been lawfully paid the previous season.

Major difficulty resulted from the term "lawfully paid." Obviously, if interpretation of the meaning of the phrase "\$2,400 per annum" had been in terms of a rate concept in 1943, a rate above \$2,400 per annum, to be lawful, must have been approved by the National War Labor Board if it was a rate which provided an increase above the rate prevailing on September 15, 1942. 36/ The rates on September 15, 1942, were generally sufficiently low, and any rates approved by the National War Labor Board would have been closely enough in line with competing rates to have prevented any serious problem. However, as the annual earning concept was used in 1943, it was impossible to determine whether the rates being paid were unlawful, except for workers employed on an annual basis. For wage rates for seasonal workers, the phrase "made lawfully between December 9, 1942, and December 9, 1943," was meaningless.

35/ See chapter 5.

36/ Jurisdiction over agricultural wages up to rates of \$5,000 per annum was transferred to the War Food Administrator on December 9, 1943. Executive Order 9250 and the original regulations of the Economic Stabilization Director specified September 15, 1942, as the effective date of the original wage control program. (See Chapter 1). No record can be found of the reason for the date, December 9, 1942, except that it was a date exactly 1 year before the effective date of the new regulation giving additional authority to the War Food Administrator.

No matter how high the rate, it could hardly be proved that this rate had been paid unlawfully. Therefore the popular inference from the provision was that any rate paid in 1943 was lawfully paid (9,p.12). 37/

This provision seriously affected efforts to stabilize wages through administering the general ceiling on the basis of individual applications. It was during the crop year 1943 that wage rates spiraled most excessively. 38/ Near the end of the season, a few growers paid at rates far above those of their neighbors who had finished their harvest a few days or weeks earlier, or who were more favorably situated in terms of proximity to labor supply. Such growers could now start the season with rates above the rates equivalent to \$2,400 per annum, while the majority had to request approval to pay at rates above these equivalents. This placed those who had to get approval in an extremely unfavorable bargaining position in the labor market. As they were in the majority, the prevailing rates of the previous year were based on the rates paid by these employers rather than on those of the few who were paying high rates. Therefore, increases could not be approved on the grounds that they were necessary to increase up to the tested and going rates in the area (40,9:655). 39/

The only means available for bringing about a balance in the wage rates in such an area was the promulgation of a specific ceiling. With the obstacles in the way of such action at the time, this was difficult. The high "legal" rates being paid by a few were often the force that "broke the line" and started wild labor pirating, labor turn-over, wage spiraling, and general disregard for the law. This was an instance in which an apparently innocent minor change in regulations materially affected the course of the program. After it was once promulgated it could not very well be changed. What had specifically been made legal could hardly be changed to make it specifically illegal (9,pp.4,11,12;13,pp.23-25).

Standards for Approving Increases on Individual Applications

The regulations of January 17, 1944, contained only three specific standards under which individual wage increases could be approved: (1) Adjustments to compensate for the rise in the cost of living between January 1, 1941 and May 1, 1942 defined as 15 percent

37/ Washington USDA Wage Board. An Analysis of Agricultural Wage Stabilization in the State of Washington, 1944-1946. Prepared under direction of Lewis A. Nichols, Executive Officer, Yakima, Washington in 1946 [unpublished].

38/ See chapter 6.

39/ It should be noted that Hanger and Metzler and also Ham (8) interpreted the provision with regard to rates lawfully paid in 1943 to include any rates paid in 1943.

under the Little Steel formula, the formula developed for the Little Steel industry and prescribed as a pattern by Executive Order 9328; (2) increases to adjust up to the minimum of the tested and going rates paid for the same work in the same locality. ". . . except in rare and unusual cases in which the critical needs of agricultural war production require the setting of a salary or wage at some point above the minimum of the going salary or wage bracket" (40,9:655). (3) Reasonable adjustments in cases of promotions, reclassifications, merit increases, and incentive payments, if such adjustments did not affect the level of production costs or prices (40,9:655).

On June 1, 1944, amendment by the War Food Administrator provided that reasonable adjustments based on promotions, merit increases, and similar grounds could be made without approval, if made in accordance with a previously approved wage schedule. This amendment also added a fourth standard that permitted individual approvals to correct inequalities between immediately interrelated job classifications which had arisen because of elimination of substandards of living or because of application of the Little Steel formula. These corrections could be approved to the extent required to maintain production efficiency, but were "to be tapered off rigorously" in the higher job classifications (40,10:6011).

A comparison of these standards with those applicable to industrial wages controlled by the National War Labor Board, reveals that they were identical in every respect except for insertion of the word "agricultural" before "war production" in the second standard (40,8:16702). The only deviation was the addition of the "60-day exemption," the unworkability of which has been discussed earlier. Although this exemption appears to have been intended to apply only to short-term seasonal employment, it was not so worded. It served to permit a bulge above the \$2,400 general ceiling without application of any approval standards (40,8:16702).

It was not until May, 1946, that action was taken to establish some standards more directly suitable to agriculture. Promulgation of the Administration's new wage-price policy in March, 1946, necessitated revision in the agricultural standards to eliminate inconsistencies (40,11:2517,3300). This opened the way to proposing and securing approval of two new standards designed directly for agriculture. One of these provided for approval of increases necessary to correct inequities among time and piece-work rates paid on farms, whether those rates were controlled under the general ceiling or under specific ceilings. The second provided authority to correct for inequities in rates paid for jobs in agriculture and for jobs requiring the same skills in other activities in the locality (40,11:5903).

Standards for Approving Group Increases

The provisions for issuance of specific ceilings contained in the regulations of January 17, 1944, cannot be interpreted as containing authority to approve increases above the general ceiling for groups of employers in an area. The section providing for ceiling determinations was prefaced with a statement to the effect that increases in agricultural

wages could be made without approval ". . . so long as such payments are not more than \$2,400 per annum. . . . However, the Administrator has authority under the provisions of that section [4001.7, Economic Stabilization Director's regulations] to determine that, with respect to areas, crops, classes of employers or otherwise, such increases or payments may no longer be made without the approval of the Administrator" (40,9:655). (Underlining supplied).

It is not known when it was first recognized that approval for increases above the general ceiling could be granted by use of the specific ceiling technique rather than by individual approvals. This was not yet officially recognized in April 1944. In testifying on the Agriculture Appropriation Bill for 1945 on April 21, 1944, George Hill stated:

Authority has been given the War Food Administrator in two fields. First, he is to exercise such control as may be necessary in case of farm wages of less than \$2,400 a year, which otherwise are free of all regulation. This is done through the ceiling technique. Second, the War Food Administrator must approve any increases . . . from \$2,400 to \$5,000 a year Before a farmer can raise the wages of a hand to more than \$2,400 a year, he has to apply to Judge Jones [Marvin Jones, War Food Administrator] for authorization (28,1945:263).

Approval for increases apparently a year later had been recognized. In a similar hearing on April 9, 1945, O. J. Wheatley said ". . . Our power can be exercised to set ceilings either above or below the \$2,400. . ." (28,1946:247). But not until June 10, 1946, was it recognized in formal instructions to State wage boards. 40/

On August 1, 1946, this was followed by formal instructions prescribing general standards or conditions basic to issuance of specific ceilings with rates above and below the general ceiling of \$2,400 per annum. The standards for specific ceilings above the general ceiling, designated as the "normal case," conformed closely with the standards for granting individual approvals. The standards for low rate ceilings, "cases involving unusual circumstances," consisted of a demonstration of the existence of "excessive wage rate spiraling and labor turnover." 41/ In practice, the standards for issuance of the low rate ceilings were modified to the extent that a demonstration or finding that the stated conditions either existed or were imminent in view of the past history

40/ See footnote 10, page 11. Memorandum 1-46.

41/ See footnote 10, page 11. Memorandum 5-46.

of wage rates and the current wage conditions in the area, was accepted as authority for adjusting wage-rate ceilings.

Decentralization of General Ceiling Adjustments

To begin with, all applications for approval of increases in the general ceiling were transmitted to the War Food Administrator for approval. By the regulations of January 17, 1944, this authority was delegated to the Director of Labor (40,9:655). 42/ In February 1944, he in turn delegated it to the Chief of the Program Branch, and in his absence to the Chief of the Wage Stabilization Division (40,9:1765). After the spring of 1946, when the Wage Stabilization Division was made an independent division reporting to the Director, greater authority was vested with the Chief of that Division than had been delegated to State wage boards. 43/

It soon became evident that Washington was too far from the high wage-rate areas of the West Coast to do an effective job of handling applications for individual adjustments under the general ceiling. Primary dependence for action had to be placed on the statements of the applicants. Very little detailed information on piecework and hourly rates was available. The statistics and data that were available were largely in terms of monthly and daily rates. As wage rates increased to levels which made interpretation of hourly or piece-work equivalents of \$2,400 per annum necessary, it became virtually impossible to make any real analysis in Washington, except in terms of what had been done previously on similar applications.

In areas where a number of specific ceilings were in effect, the wage boards were obviously more familiar with local wage conditions than was the Wage Stabilization Division. So it was desirable to delegate to the wage boards authority to approve or deny individual applications under the general ceiling. Delegation of the authority was restricted to those States in which the volume of applications warranted it and where the field staff was considered sufficiently experienced to administer such authority. The first delegation was made to the California Wage Board on June 1, 1944, by the War Food Administrator. Subsequently delegations were made to the wage boards of Idaho, Oregon, Washington, and Texas. 44/

42/ Authority to grant adjustments in specific wage ceiling rates was vested in the State Wage Boards from the promulgation of the first ceiling order (40,8:4818).

43/ See chapter 4.

44/ Marvin Jones, War Food Administrator, Delegation of Authority to the California WFA Wage Board, June 1, 1944 (40,9:6050). Grover B. Hill, First Assistant War Food Administrator, Delegation of Authority to the Washington WFA Wage Board, August 21, 1944 (40,9:10290); Wilson Cowan, Assistant War Food Administrator, Delegation of Authority to the Idaho and Oregon WFA Wage Boards, December 23, 1944 (40,9:15029); and Clinton P. Anderson, Secretary of Agriculture, Delegation of Authority With Respect to Salaries and Wages of Agricultural Labor to the Texas-USDA Wage Board, August 9, 1945 (40,10:9965).

Development of Equivalent-Rate Concepts

As farm wages in the high-wage-rate areas increased toward approximate equivalents of \$2,400 per annum, individual employers and employees not operating under specific ceilings experienced difficulty in determining whether they were violating the regulations. At what rate would the picking of cherries or peaches on an hourly or piece-rate basis exceed the equivalent of \$2,400 per annum? The initial regulations of the War Food Administrator placed the burden of compliance upon each employer without an attempt to define the meaning of "\$2,400 per annum." Later, when it was defined as a rate, no means were provided by which an employer could arrive at an equivalent rate. Producers, therefore, did not know whether they were complying with the regulations.

As this problem increased in importance, the California Wage Board called several public meetings to get an indication of the interest of employers in having equivalent hourly rates promulgated and in obtaining as much information as possible upon which to base an equivalent rate determination. The California Board finally decided that 85 cents per hour was a fair hourly equivalent of \$200 per month, or \$2,400 per annum, in that State. This was rationalized by a formula using the average number of working hours per day and working days per month in California wartime agriculture. There were obviously deviations from the pattern chosen, but it was decided that for wartime agriculture the working day averaged 9 hours and the working month, 26 days. The rate of \$200 per month, divided by the resulting 234 hours per month, equals \$0.8547 per hour. Because agriculture most frequently pays in units of 5 cents, this amount was rounded to 85 cents.

Following the action taken in California, the wage boards in Washington, Oregon, and Texas examined the farm-wage structure in their respective States and determined that a rate of 85 cents per hour was likewise the equivalent of \$200 per month. During 1944 and until June 23, 1945, the Wage Boards made such determinations in an informal manner but they gave the maximum hourly rate full publicity as a matter of practical administrative procedure.

The method of arriving at the 85 cents-an-hour equivalent is open to question. But in the absence of exhaustive data on farm wages and hours, the wage boards met a practical problem with a specific answer. The very fact that an hourly equivalent was officially recognized was a great step forward in effective administration of the program. Although not officially recognized, this also provided a base for the employer to calculate a daily equivalent in these States. But the problem of the piece-rate equivalent was still unsolved (46,pp.13-14).

Official attempt to clarify the equivalent rates was finally made in the revised Regulations of the War Food Administrator, issued June 23, 1945. This revision set forth a complicated formula whereby an employer could determine equivalent daily, hourly, and piecework rates. The piecework-rate equivalent was defined as a rate which

would permit an average worker, working at a customary rate of speed for hourly work, to earn the equivalent hourly rate. It placed the burden on the individual employer, until the Administrator determined and publicized specific equivalents. The regulations specifically announced that 85 cents per hour was equivalent to \$200 per month in California, Florida, Oregon, and Washington (40,10:7609). 45/

Although the publication of a method for determining general ceiling equivalents offered a means for compliance on the part of producers, the results were far from satisfactory. As the general level of farm-wage rates rose nearer and nearer to the general ceiling in increasing numbers of areas, the problems became greatly magnified and the difficulties of administration mounted. Undoubtedly changes in the method of determining equivalents would have been necessary, had the program continued beyond 1946. 46/

Development of Compliance Policy

The section on compliance contains an indication of the final policy and the detail of procedure for enforcement. Only a few significant changes need be brought out to point up the reasons for the policy and procedure as described in that chapter.

The compliance and enforcement work carried out under the first ceiling orders, during 1943, was primarily on a trial-and-error basis of applying techniques that had previously been used in other regulatory functions of the Department of Agriculture. Drawing upon the experience of 1943, specific provisions for enforcement were included in the regulations issued by the War Food Administrator on January 17, 1944. These provided a formal procedure for the wage boards and the Director of Labor to follow with regard to administrative sanctions (40,9:655). These regulations placed responsibility for the total enforcement job in the hands of the wage boards and the Director of Labor, the lawyers from the Solicitor's Office, U. S. Department of Agriculture, serving as attorneys for the Government. Investigations were conducted by employees under supervision of the wage boards. The wage boards, after consultation with the Department attorneys, decided whether hearings should be held. The boards sat as the hearing bodies. The employees under their supervision served as the principal witnesses. The Boards prepared proposed findings of fact and conclusions of law, and recommended orders for imposition of sanctions. Upon review of the record, the Director of Labor issued the final determinations and orders (40,9:655).

This was a large assignment to hand to any group of men untrained in investigatory work and problems of administrative law. In general, a good job was done and very little criticism of the conducting of hearings

45/ The 85 cents per hour equivalent was later promulgated for Texas.

46/ See chapter 8 for further discussion of this problem.

was received. Yet many members displayed some hesitance in carrying through this function. Other members agreed to serve on the wage boards only on condition that they would be excused from responsibility for sitting in violation hearings. This occurred in cases of members whose regular employment in the State was of such character as to involve continuous interchange of information with farmers. The success of their regular work depended upon long and well-established public relations. They felt that these relations and mutual understandings with farmers would be jeopardized if they were to sit as jury and judge in cases of alleged wage violations.

To correct this situation, the regulations were amended on October 3, 1944, to permit a wage board to request the services of a hearing examiner (40,9:12117). When a board chose to use this procedure, the Director of Labor notified the Solicitor's Office and a person authorized to preside at such hearings was assigned. In all instances the person assigned was an attorney of the Solicitor's Office who was entirely unfamiliar with the facts of the case and whose official station was outside the area in which the violation allegedly had occurred. This procedure worked satisfactorily for all parties and tended to remove any question of partiality on the part of a wage board.

Another weakness which became apparent as the program proceeded was the difficulty of combining, in the hands of wage board employees, the complete investigatory job with the work of handling adjustments and other details of the program. In general, wage board employees were not trained investigators. Although the regulations provided that such employees should make preliminary investigations of alleged violations, a need for trained competent investigators became apparent. Accordingly, when the Compliance and Investigation Branch of the Production and Marketing Administration was created in 1945, an agreement was made whereby that Branch would detail trained investigators, upon request, to make complete investigations. The use of trained investigators not directly connected with the program served to produce better developed cases and tended toward further impartiality in the hearings. 47/

A study of the history of the program in several States reveals a changing concept with regard to the entire approach to compliance. The first response on the part of farmers and many members of the wage boards and field staff was emphasis on the criminal penalties. Although no case was ever brought to trial, criminal action was a topic for discussion at nearly every initial contact with farmers. Later, emphasis shifted to administrative sanctions and, particularly, certification to the Bureau

47/ Information from file records of Wage Stabilization Division, Labor Branch, PMA. See chapter 2 for compliance procedure.

of Internal Revenue of wages paid in violation. As experience was gained, emphasis shifted to compliance rather than punishment. This resulted from a gradual recognition by the administrative personnel, the farmers, and the workers that the damage to the stability of the labor market had already been done if the violation had actually occurred. To prevent a violation would prevent one unstabilizing influence in the labor market. Punishing a violator might prevent a second disturbance but it usually had no corrective influence on the first disturbance.

Recognition of the importance of prevention led to increased efforts by executive officers and wage boards to acquaint growers and workers with the purposes and the demonstrated benefits of the program. Many violations were a direct result of lack of knowledge of the program - of its purposes and of how adjustments could be obtained. The official hearings were one medium through which the program was explained. Radio programs and news stories assisted. Personal contacts with farmers and workers by fieldmen, individually and in group meetings were even more effective (36,pp.4,9).

Recognition of the importance of prevention by the local citizens brought into play community and social forces which were far more effective in securing compliance than punishment of a few offenders would have been. Social ostracism by their neighbors and the resultant "loss of face" in their communities soon brought all but the most calloused offenders back in line and undoubtedly deterred others from obvious violations. 48/

CHAPTER 4. HOW THE MACHINERY FOR ADMINISTRATION WAS ORGANIZED

Responsibility for actual operation and administration of the program was centered in the Wage Stabilization Division in Washington and the wage boards in the States. This chapter discusses in detail the program functions performed at these two organizational levels and the relationships of these two organizational units to the other levels of the organization of which they were a part. Because of changes in organization and some changes in functions, the discussion at each organizational level is devoted primarily to the status during 1946, the last year of the program's operation.

The Wage Stabilization Division

The Wage Stabilization Division of the Labor Branch, Production and Marketing Administration, United States Department of Agriculture was responsible, under general supervision of the Director of the Labor

48/ For scope of compliance activity and data on sanctions imposed, see chapter 5.

Branch, for active direction of the program. Its functions, as shown in an official organization chart of the Labor Branch, included the development of programs and procedures to stabilize agricultural salaries and wages, including the establishment of specific ceiling rates and other details of program operation and administration. All this was to be done in accordance with wage-price policy directives of the Director of Economic Stabilization, regulations of the Secretary of Agriculture, and general operating policies of the Director of the Labor Branch. The Division was responsible for providing leadership and direction to the State-USDA wage boards relative to details of program execution. This included direction and review of wage-rate hearings, compliance activities, specific ceiling order administration, and the approving or denying of wage and salary increases and decreases (40,11:177A-290).

The Division was directly responsible for the execution of the program in all States in which wage boards had not been appointed. It was directly responsible for the operation of the general ceiling in States having boards to which authority to act on applications for approval of increases had not been granted. The Division, therefore, received and acted on applications from individual employers, initiated investigations of cases of indicated noncompliance, and carried through all phases of the program for these States.

When conditions warranted the establishment of a State-USDA wage board, staff members of the Division consulted with State Directors of Agricultural Extension to explain the program and to get recommendations for wage board members and alternates. Before or immediately after appointment by the Director of the Labor Branch, wage board members and alternates were interviewed individually or as a group, the program was explained, and the board's duties and responsibilities were outlined. The Division was responsible for liaison with other governmental stabilization agencies for purposes of working out problems of jurisdiction, wage-rate differentials between agriculture and industry, and general cooperation.

During the organizational period of the program in 1944 and 1945, the Division worked with wage boards in the selection of executive officers and key State administrative personnel. All appointments at grade CAF-11 or above (Civil Service classifications) were reviewed and approved in Washington. In order to maintain a more direct contact between Washington and the field offices during this stage, an assistant chief was stationed on the West Coast to coordinate activities of the western wage boards and to maintain direct supervision over the wage board executive officers in that area. A second assistant chief was to perform similar functions east of the Mississippi River. In practice, the former operated largely only west of the Rockies and the second spent most of his time, when out of Washington, in the central States on both sides of the Mississippi River. 49/

49/ See chapter 8 for discussion of problems resulting from this organizational agreement.

The Division did not perform general administrative service, fiscal, personnel, and procurement functions, in connection with the program, but relied on the Washington and field offices of, first, the Office of Labor and, later, the Production and Marketing Administration. But it was necessary for the Division to perform considerable budgetary work in attempting to project work loads and program needs in terms of money and personnel requirements, and in drafting justifications to support these estimates.

Changes in the economic situation and in governmental wage and price policies influenced the administration of the program and made the planning programs and work loads extremely difficult. The customary procedure of presenting requests for funds through the Bureau of the Budget and the President's Budget and Appropriation Committees of both Houses of Congress could not be followed regularly because of these uncertainties. Requests for funds were made hurriedly as supplemental estimates of appropriation (42). Sometimes these "caught up" with the President's Budget as late as the final Senate hearings on the Agricultural Appropriation Bills (28,1947,p.328;1946,p.244). This general budgetary uncertainty made it necessary for the Division to maintain a close check on all budgetary matters so that it would be ready to take action in budget questions on very short notice.

The central staff of the Division was at all times small. During the final year of the program, 1946, the Division was staffed with a division chief, four wage-rate analysts, and two clerk-stenographers. During the peak years of program development and expansion, 1944-45, the staff was somewhat larger, consisting of a division chief, two assistant division chiefs, eight wage-rate analysts, two statistical clerks, and three clerk-stenographers.

The State-USDA Wage Boards

The Director of Labor was authorized to establish wage boards for the different States. The regulations officially designated these boards as "State-USDA wage boards." By the same regulations, the boards were authorized to hold public hearings in order to recommend areas, crops, classes of employers or otherwise, for which wage rates should be established, and to hold hearings to determine whether there had been violations of the wage regulations. The Director of Labor, in his discretion, could delegate to the boards authority to pass upon applications for increases or decreases in salaries or wages of agricultural labor in their States and such other functions as he deemed appropriate (40,10:7609).

As the program progressed an increasing number of functions were delegated to the State boards. These were generally summarized in an administrative memorandum in 1944 and in an official handbook for wage boards in 1945 (45;25;45). By late 1946, additional delegations and changes in program concepts made it necessary to summarize again the duties and responsibilities of the boards. This was done in the form of a functional statement for a Labor Branch organization chart. It indicated that wage boards were responsible for:

(1) Determination of Need

Based on meeting or referendums, receives requests from producers for intervention of the Secretary; continuously investigates need for regulation of agricultural wages; holds public hearings to secure information basic to the establishment or continuation of specific wage ceilings; periodically reconsiders appropriateness of wage ceilings in effect on petition or on its own initiative; and in each instance submits recommendations to the Director.

(2) Adjustments

Receives applications and effects adjustments of agricultural wage and salary rates in accordance with standards prescribed by regulations of the Secretary.

(3) Compliance

Conducts meetings to inform growers and workers concerning wage stabilization objectives and procedure; investigates and holds hearings concerning alleged violations of the agricultural wage stabilization regulations and submits findings and recommendations to the Director.

(4) State Office Administration

Recommends the establishment of necessary administrative organization, staff, and procedures to carry out the wage stabilization program and supervises these administrative activities. 50/

Because of the termination of the program, this functional statement was never officially promulgated.

The wage boards were composed of "public members" as contrasted with the tripartite (labor, public, management) type of organization of the National War Labor Board. "Public members" was interpreted to mean persons who served the public in some official capacity, such as employees of the Federal and State Governments. Members of college staffs were considered as public officials. At least a majority of the members of each board were required to be regularly employed Federal employees having no connection with growers' associations and not engaged in production themselves. Minority members were not barred because they were active farmers or connected with particular branches of agriculture, in addition to being public employees, if they could be presumed to represent agricultural interests in a broad way and not merely those of a limited branch of production (45;25). 51/

50/ A statement developed by the Wage Stabilization Division, Labor Branch, and the Organization and Procedures Division, Budget and Management Branch, Production and Marketing Administration, October, 1946.

51/ Because of transfers between Federal, State and private employment; resignations, and deaths, a full membership, a strict accounting for the employment status of members, or the prescribed ratio of Federal to State employees could not be maintained continuously for all boards.

Nominations of members and alternates to the boards were made by the State directors of agricultural extension on their own initiative or upon requests of the Director of Labor (44,p.2). Agencies of the United States Department of Agriculture from which members and alternates were drawn included the Soil Conservation Service, Bureau of Agricultural Economics, Farm Credit Administration, Farm Security Administration, Bureau of Animal Industry, Bureau of Plant Industry, Extension Service and such organizational units as the Agricultural Adjustment Administration, Crop Insurance, Commodity Credit Corporation, and Office of Labor which were later a part of the Production and Marketing Administration.

Other Federal agencies included Office of Price Administration, War Labor Board, War Manpower Commission, and the Federal Land Banks. State agencies drawn upon included State departments of agriculture, horticulture, labor, education and taxation; State experiment stations, extension services, defense councils, veterinarians, vocational agriculture supervisors, and bureaus of markets; and departments of rural economics, farm management, etc., of the State agricultural colleges. Board members and alternates ranged from heads of these departments or bureaus in the States to employees several positions down the line. The important considerations to appointment were ability, breadth of knowledge, and objective impartial public interest (45, no. 25,p.6).

Wage boards ranged in numbers from 5 members with alternates to 10 members with alternates. All members and alternates served without compensation but they were allowed standard per diem allowance and transportation for time spent on wage board functions. Twenty-four State-USDA Boards were established. 52/

As wage board members were employed full-time in other occupations, the boards recommended the appointment by the Office of Labor of an executive officer, and other full-time personnel as necessary, to carry out the program effectively in their respective states (44,p.10). Paid personnel were employed to service the operations of 14 of the boards. These staffs ranged from 1 man servicing Minnesota and North Dakota to 38 employees in California during the peak of operations, in 1945. Administrative duties for other boards were handled by the Chairman or by a board member designated as Secretary.

Employment fluctuated with the seasons. At the peak of operations, October 1945, 115 persons were employed in the field. Many of the appointments were on a 60-day or other short-term basis. In some States personnel were employed only during the harvest season of a particular crop under specific ceiling. In States that have a diversity of

52/ For States and dates of establishment of boards, see Appendix.

year-around agricultural operations with high wage rates - the Pacific Coast States, for instance - some employees were retained on a 12-month basis but the organization was reduced to a skeleton staff during the off-seasons. The skeleton staff processed requests for wage and salary adjustments for employees on a monthly or annual basis under the general ceiling, assisted in investigation or completion of compliance cases, studied problems of ceiling administration and effects on labor relations, labor availability, and agricultural production, and planned the activities for the next season.

The executive officer and his staff were Federal employees. They were employees of and responsible to the Labor Branch. They were paid from Federal funds appropriated by Congress for the agricultural wage stabilization program and were assigned to the Labor Branch for that purpose. The Wage Stabilization Division considered the executive officer, therefore, as its direct representative in the State. It held him responsible for handling all details of administration and seeing that the program was administered in accordance with National policy. It considered the wage boards, in States having executive officers, as an advisory body for any adaptation of the program necessary to fit the particular problems of agriculture within the State. It was recognized that they also served in a quasi-administrative capacity, however, particularly in certain States. The Division also considered the boards as quasi-judicial bodies when holding wage-rate and violation hearings.

The exact relationships and the division of functions between the executive officers and the boards varied from State to State. The way in which the program developed in the State, the degree of interest in the program displayed by the board members and particularly by the chairman, and the personal ability of the executive officer all affected the extent to which the board or board chairman engaged in or carried out details of administration. Most executive officers enjoyed the full confidence of their boards and not only handled their own duties but performed, in the name of the board, functions which should probably have been accorded the attention of the board. 53/

Except for variations between States, as mentioned above, it was generally true that the executive officer was responsible for carrying out the policy and instructions of the wage board in all matters relating to the wage stabilization program, subject to the general policy of the Labor Branch and the Wage Stabilization Division. The executive officer or his staff, arranged for hearings regarding wage ceilings, made studies of wage problems in the State, prepared recommendations to the

53/ See chapter 8 for discussion of some of the problems resulting from the lack of clearly defined Wage Board and Executive Officer responsibilities.

wage boards with respect to maximum rates for specific operations in delineated areas, informed grower and labor groups about the program and obtained from them information and suggestions relative to the program's operation, and conducted investigations regarding compliance with the program. The executive officer also appointed local community advisory committees. He was responsible for general publicity for the program through the press and radio and through public meetings with farmers and farm workers.

The executive officer acted for the wage board on applications for specific adjustments of wage ceilings. This authority was not re-delegated to other employees but, in practical operation in those States where the staffs were large and the work load heavy, notices of approval or denial were signed for the executive officer by field assistants. Actions of the executive officer in approving or denying wage adjustments were reviewed by a quorum of the State board (40,10:3180).

When the volume of work in a State warranted, field offices were usually set up in the areas for which specific wage ceilings had been promulgated. This brought the program closer to the farmers and workers and reduced the costs.

As the program developed, the need for local community participation was demonstrated. Rapid and equitable action on requests for adjustments and on rumors of violations required intimate knowledge of local crop and working conditions. To meet this need, local advisory committees, comprised of workers and growers, were organized wherever possible. These groups, ranging from 3 to 10, were persons familiar with local conditions whose ability and integrity were generally respected. There was much difficulty in obtaining worker members for these committees, hence most of the committees were composed exclusively of growers (46,pp.7-9).

The stated purpose of establishing the committees was to secure recommendations regarding the merits of applications for wage adjustments. 54/ Actually, the use of the committees brought the program home to the communities. It led to better understanding, better cooperation, and greater interest in the success of the entire effort. It brought a degree of local self-determination into the program to which the program's success can be credited, in large measure.

Although the committees were not delegated the authority to grant or deny adjustments, their recommendations were usually followed. If the applicant protested the recommendations, the executive officer

54/ For the procedure followed in utilizing these local advisory committees, see chapter 2.

would have an independent check made. Protests were rare after the committees had gained some experience and the growers and workers had become familiar with the program. It was adequately demonstrated that the more use that was made of willing and cooperative community groups, the more successful was the administration and effectiveness of the program in the particular area (37,1945,pp.10-11; 1946,pp.6-7). 55/

Other Links in the Chain of Command

Thus far, attention has been centered on the Wage Stabilization Division and the State-USDA wage boards as organizational units which devoted full time to the program. The rest of the chapter is devoted to showing the relationship of these agencies to the Labor Branch of the Department of Agriculture and the Office of Economic Stabilization, together with organizational changes of these "parent" agencies affecting the course of the program. Brief mention is made of the relation of this direct organizational hierarchy to cooperating organizational units.

The direct chain of authority extended from the Director of Economic Stabilization, first to the War Food Administrator and, later, to the Secretary of Agriculture. From the War Food Administrator it went directly to the Director of Labor. However, under the Secretary of Agriculture, it passed through the Administrator of the Production and Marketing Administration to the Director of the Labor Branch. Within the Office of Labor, later called the Labor Branch, the line of authority at first passed through the Chief of the Program Branch to the State Wage Boards. The Chief of the Wage Stabilization Division, served in a staff capacity. Later, the Chief of the Wage Stabilization Division was placed in the line and was given supervisory authority over operations of the State-USDA wage boards and their executive officers (see page 47).

(1) The Director of Economic Stabilization

The Economic Stabilization Director designated the wage stabilization agencies and coordinated their activities. 56/ Regulations relative to salaries and wages in all activities were promulgated by the office of the Economic Stabilization Board. These regulations were general in character and established the board wage policies and the jurisdictional relationships between the stabilization agencies. As experience proved the impracticability of a particular phase of the regulations related to agriculture, changes were secured in the general regulations of the Economic Stabilization Director. Administration

55/ See also Arizona USDA wage board, Agricultural Wage Stabilization in Arizona, 1944-1946. Report prepared by E. S. McSweeney, Executive Officer, Phoenix, Arizona, December, 1946 [Unpublished].

56/ The Economic Stabilization Director had responsibilities, not only for wage policies, but for all phases of the program to stabilize the economy. The origin of this office is discussed briefly in Chapter 1.

changes in national wage and price policies were also reflected in amended or revised regulations of the Director. These necessitated changes in the policies and procedures directly governing the farm wage stabilization program.

(2) The Secretary of Agriculture

Authority for the agricultural wage stabilization program was delegated to the Secretary of Agriculture by the Economic Stabilization Director in November 1942. When the Food Administration was created on March 26, 1943, these functions were included with other functions directly affecting the production and distribution of food and fiber which were transferred by Executive Order to that agency (40,8:3807). On April 19, 1943, this agency was renamed the War Food Administration (40,8:5423). On June 29, 1945, the War Food Administration was terminated and the function was returned to the Secretary of Agriculture (40,10:8087).

The Secretary and the War Food Administrator implemented the regulations of the Economic Stabilization Director by issuing regulations prescribing broad procedures for the administration of the program and by seeing that the program was geared in with other agricultural programs. Both the Secretary of Agriculture and the War Food Administrator delegated directly to the Director of Labor, by regulation, responsibility and authority for administering the program (40,9:655; 10:7609,9581).

(3) The Administrator of the Production and Marketing Administration

To administer more effectively the programs of the Department involving production, processing, marketing, and distribution of agricultural products, the Secretary established the Production and Marketing Administration usually referred to as PMA on August 18, 1945. This Administration was subdivided into 22 branches and offices. The Labor Branch, formerly known as the Office of Labor, was one of these. The agricultural wage stabilization regulations were not changed as a result of this reorganization.

The PMA Administrator was assigned responsibility for coordinating administrative policy and procedures for this program with those applicable to other action programs. Administrative service functions formerly performed by the Office of Labor were combined with functions from other offices into a new Budget and Management Branch responsible for servicing all programs of PMA including wage stabilization (40,11:177A-258).

The Chain of Command for Agricultural Wage Stabilization

The Economic Stabilization Director

The National
Wage Stabiliz-
ation Board
(formerly the
National War
Labor Board)

The Secretary of Agriculture
(The Secretary of Agriculture
from Nov., '42 to Apr., '43,
The War Food Administrator
from Apr., '43 to July, '45,
The Secretary of Agriculture
from July, '45 to Dec., '46)

Salary Stabiliz-
ation unit of the
Bureau of Internal
Revenue, Treasury
Department

The Administrator, Production
and Marketing Administration
(Under WFA, line was direct to
Director of Labor)

Director, Labor Branch, PMA
(Prior to Aug., '45, Director,
Office of Labor, WFA)

Chief, Wage Stabilization Div-
ision
(Prior to Apr., '46, the line
of authority passed from the
Director of Labor to Chief,
Program Branch. The Chief,
Wage Stabilization, was a
member of the Program Branch
staff)

24 State USDA Wage Boards
(Prior to Apr., '46, from
Chief, Program Division to
Wage Boards)

State Executive Officers

Local Wage Ceiling
Offices

Local Wage Stabi-
lization Advisory
Committees

(4) The Director of the Labor Branch 57/

The Director of the Labor Branch was charged with general administrative supervision and control of the programs for recruitment of foreign agricultural workers; for transporting, housing, and supplying of medical care for these workers; for housing of domestic migratory workers in such camps as the Branch had available for this purpose; for advising and assisting the Administrator and his staff on the labor, manpower, and wage problems affecting PMA programs related to food production, processing, storing and distribution activities; and for the stabilization of agricultural wages (40,11:177A-289).

The Labor Branch was organized into four divisions to carry out these responsibilities -- the Program Division, Operations Division, Health Services Division, and Wage Stabilization Division. The work of three of these Divisions was devoted entirely to the farm labor supply program. A field organization consisting of 5 divisional operations offices, 27 area offices and a number of temporary offices was also maintained in connection with the farm labor supply program (40,11:177A-289).

In addition to general supervisory responsibility with regard to the Wage Stabilization Program, the Director, by regulation, had final authority to:

- (1) Establish State-USDA wage boards.
- (2) Establish specific agricultural wage ceilings.
- (3) Determine whether salary or wage payments have been made in contravention of the act, impose sanctions, and certify the amount determined to any executive department or other agency of the Federal Government.
- (4) Issue interpretations of the definition of agricultural labor when necessary to clarify jurisdiction between the Department of Agriculture and other governmental agencies.
- (5) Determine and promulgate weekly, hourly, daily, or piece-work rates equivalent to \$2,400 per annum for specific areas or crops.
- (6) Approve or disapprove applications for wage or salary increases or decreases in conformity with the applicable regulations (40,11:177A-289).

57/ The terms "Director, Labor Branch" and "Director of Labor" were used synonymously and interchangeably during the period following the establishment of the Production and Marketing Administration. Actually, the term "Director of Labor" should probably have been restricted to the period when the Office of Labor was an official organizational unit. However, when this unit became the Labor Branch of PMA, no change was made in the wage-stabilization regulations or the delegations relative to the program. These delegations were to the "Director of Labor." Therefore, it can be argued that for wage stabilization functions based directly on these delegations, the title Director of Labor could be used, while for other purposes the title Director, Labor Branch was required; as such hair-splitting would add nothing to accuracy, the terms have been used interchangeably in this document.

The Director also had authority to redelegate any delegated final authorities and other responsibilities to wage boards or employees of the Department of Agriculture (40,11:177A-289; 10:7609). Actually, the final authorities under items "4" and "5" were never exercised by the Director. Such determinations as were necessary were relayed to the Secretary or the War Food Administrator for formal issuance. Final authority under "6" was redelegated to the Chief, Wage Stabilization Division. Authorities under "1", "2", and "3" were performed directly, so far as issuance of the formal documents was concerned.

With regard to item "3", the services of a committee composed of an Assistant Branch Director, the Chief of the Wage Stabilization Division, and an Associate Solicitor of the Solicitor's Office of the Department was utilized to review the records of all violation hearings and make recommendations to the Director before the final orders were signed. All other phases of responsibility for active direction of the program was delegated to the Chief, Wage Stabilization Division.

From the inception of the program until the organization of PMA, the Wage Stabilization Division was subordinate to the Program Branch of the Office of Labor. The Chief, Program Branch, was responsible for directing the activities of the Division itself and for directing the activities of the State wage boards. In effect, the Division was not a part of the direct functional line, but served as a technical staff to the Chief, Program Branch.

It was not until April 25, 1946, that the Wage Stabilization staff was placed in the direct functional line. At that time it was set up as a Division reporting to the Director of the Branch and was given authority to direct the activities of the wage boards in the States. All responsibility for Wage Stabilization functions were removed from the Program Division at this time. 58/

Cooperating Organizational Units

(1) Office of the Solicitor

A statement on organization for administration would be incomplete without mention of the more important cooperating agencies. By far the most important of these was the Office of the Solicitor of the Department of Agriculture. In fact, this office was more than a co-operating agency. On the basis of the Secretary's regulations it actually had specific functions related to violation proceedings (40,10:7609).

58/ The Official Organization Chart of the Labor Branch, formally approved on May 22, 1946, was developed by the Budget and Organization Division on April 25, 1946 and immediately put into effect.

This Office gave generously of its time and talent during the entire period of the program's operation. A Stabilization and Labor Division was created under the direction of an Associate Solicitor especially to render legal assistance to the entire farm-labor program of the Department. This Division, in consultation with the Wage Stabilization Division, drafted the agricultural wage stabilization regulations. In addition, each amendment and revision and each supplement was drawn in legal language by this Division. The Division reviewed correspondence and procedure when legal questions were involved and assisted in making interpretations of the definition of agricultural labor.

In the field, the regional attorneys of the Office of the Solicitor worked in close cooperation with the State wage boards and the executive officers. With very few exceptions, a regional attorney or a staff attorney attended each public wage board hearing and assisted in preparation of the materials used in the referendums.

In the field and in Washington, wage-stabilization personnel were inexperienced in the preparation of legal documents. The assistance of the Solicitor's Office in the preparation of proposed findings of fact, conclusions of law, and recommended orders in violation hearings, was of much help to the program. The attorneys represented the Government in all hearings of alleged violations. When requested by the State-USDA wage boards, hearing officers from the Solicitor's Office conducted the hearings for the boards (43,no.18; 40,11:177A-291; 40,10:7609; 10:3180).

(2) Compliance and Investigation Branch

After the organization of the PMA, an agreement was formulated with the Compliance and Investigation Branch whereby the services of trained agents would be made available to investigate wage violations. This agreement provided for financial reimbursement through transfer of funds, as necessary. The functions performed by these investigators are discussed in preceding sections.

(3) Office of Price Administration

The wage-stabilization authority extended only to wages and salaries. Fees or charges for services performed by independent contractors were not defined as wages or salaries (40,7:7871). These were considered prices and under the authority of the Office of Price Administration (40,9:7020;17). In some areas many agricultural operations are performed on a contract basis. When the work was performed under a contractual relationship, the contractor hired, discharged, and paid the workers. The contractor was therefore the actual employer, subject to the wage regulations (13,pp.45-47).

Some time after the agricultural wage-stabilization program was instituted, it became apparent that when a wage ceiling was established for an agricultural operation and no ceiling was provided for the contractor's services, the contractors could force upward the costs of production to the individual farmer yet abide by the ceiling rate to the farm worker. Thus, the wage ceilings did not serve their intended purpose of holding down production costs, but only served to increase the

margin of profit to the independent contractor.

To correct this situation, an agreement was made with the Office of Price Administration whereby that agency established maximum prices for services performed on the farm in connection with planting, cultivating, and harvesting agricultural commodities, when the War Food Administration had established specific wage ceilings for the same or related type of operation. 59/

This arrangement continued until the passage of the Price Control **Extension** Act of July 25, 1946. This act contained the following provisions:

No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this Act prior to April 1, 1946 (39,60:664).

As a maximum price regulation had not been promulgated for cotton prior to April 1, 1946, the above provision precluded the continuance or reinstitution of ceilings on independent contractors' service charges in connection with recruiting workers for picking, pulling, and snapping cotton. This considerably weakened the effectiveness of specific wage ceilings applicable to cotton harvesting. But no other commodity of major importance was affected.

Additional space could be devoted to cooperation with the Agricultural Extension Service, the Bureau of Agricultural Economics, the War Labor Board, and other agencies, whose programs or contributions affected the program. Such relationships with various agencies are generally accepted as necessary to any program. These relationships will be mentioned as particular phases of the program are referred to elsewhere.

CHAPTER 5. WHAT THE PROGRAM COVERED

Answers to many questions with which the administrator is constantly faced must be predicated upon knowledge of the scope, magnitude, and intensity of activity in the program he is administering. Requests

59/ Marvin Jones, War Food Administrator in an unpublished letter to Chester Bowles, Price Administrator, May 3, 1944 and Chester Bowles, Letter to Marvin Jones, June 29, 1944.

to the Congress for funds must be supported with information on what is being done and how, and with answers to the questions, "how much?" and "where?" Allotments of money to field offices must be based entirely on these latter questions. Personnel ceilings must be justified on the same basis. Adequate answers to these questions are basic to efficient and equitable administration.

The primary content of this chapter, therefore, will be factual data which should reveal where the work was being carried on, and the magnitude and complexity of the task undertaken. This chapter also serves a second purpose in revealing some of the difficulties involved in developing logical and usable answers to the questions "how much?" and "where?"

Scope of the General Ceiling Activity

The general ceiling or permissible maximum of \$2,400 per annum or its equivalents applied to all 48 States. Theoretically, this was applicable to all types of agricultural employment and operations. Actually, it was first applied only to supervisory or managerial employees employed on a year-round basis. Later, effort was made to apply it to all types of employment - seasonal and year-round - and to all types of wage or salary payments.

Throughout the program, individual applications for approval of adjustments above this ceiling were handled from the office in Washington, D. C., for all States, except during the periods in which authority was delegated to the wage boards in California, Idaho, Oregon, Texas, and Washington. 60/

Tabulated data are not available on the applications handled. The records available indicate that the number was very small. The total number handled by the office in Washington, D. C., has been estimated (table 1) on the basis of the partial records that were maintained.

Analysis of applications handled during the calendar year 1945 by the States having authority to grant approvals indicated that the California Wage Board received 929 applications, Washington 230, Oregon 191, Idaho 147, and Texas 2.

For the first 10 months of 1946, a total of 1,222 applications was handled by approving authorities as follows: California Wage Board, 337; Oregon Wage Board 334; Washington Wage Board, 281; Wage Stabilization Division (Washington, D.C.), 176; Idaho Wage Board, 94; and Texas Wage Board, 0.

Table 1. - General ceiling applications handled at Washington, D. C., 1944-47

Year ending June :	Applications :	Workers affected :
	<u>Number</u>	<u>Number</u>
1944 :	218 :	1,249 :
1945 :	79 :	832 :
1946 :	99 :	2,030 :
1947 1/ :	116 :	1,855 :

1/ Four months, July through October 1946.

Wage Stabilization Division, Labor Branch.

Tabulations of the action taken on applications were generally not made. The only consolidation of records readily possible is reflected in table 2, which shows adjustments made by the Washington, D. C., office during the first 4 months of fiscal year 1947.

The general ceiling activities also involved analysis and approval of a number of wage-rate schedules. The more elaborate of these were submitted for the farms of two large corporations. The most comprehensive schedules involved a detailed evaluation of each job through measurement, in terms of difficulty points, of all the tasks and operations involved. The wage class for each job was determined by its values in terms of these difficulty points. A wage range in dollars and cents was assigned to each wage class.

After such a schedule was approved, approval for increases for individual employees was not required. An employee could be promoted within the wage bracket on the basis of length of service or other criterion and he could be reassigned to a job in a different class and be paid the wage established for jobs in that class.

Scope and Characteristics of Specific Wage Ceilings 61/

Although the geographic scope of the specific ceilings was more limited than that of the general ceilings, activities under them were intense and complex. Ninety-two ceiling orders were in effect during 1946. These were operative in 18 States and affected a total of 345 counties.

61/ All facts and data relative to scope and characteristics of wage ceilings were derived from analysis of the Supplements to the Specific Wage Ceiling Regulations and the records of ceiling operations filed in the Wage Stabilization Division.

Table 2. - Analysis of adjustments made under General Regulations, July 1 -
October 31, 1946 1/

Item	:	:	:	:
	: Workers	: Average	: Average	: Percentage
	: affected	: base pay	: increase	: increase
	:	:	:	:
	: <u>Number</u>	: <u>Dollars</u>	: <u>Dollars</u>	: <u>Percent</u>
Payment basis:	:	:	:	:
Supervisory and technical:	:	:	:	:
Year	: 5	3,850.00	575.00	14.9
Month	: 50	227.30	48.48	21.3
Week	: 184	44.67	7.74	17.3
Hour	: 41	.80	.10	12.5
Total	: 280			
Other labor:	:	:	:	:
Year	: 0	0	0	0
Month	: 19	202.16	32.24	15.9
Week	: 486	38.17	8.64	22.6
Hour <u>2/</u>	: 1,070	.75	.11	14.7
Total	: 1,575			
Grand total or weighted average	: 1,855			17.0

1/ Does not include California, Idaho, Oregon, Texas, and Washington.

2/ Rates for a few **piece-rate** workers in Florida sugarcane were translated to hourly work rates.

Original applications on file in Wage Stabilization Division.

They prescribed 437 different ceiling rates applicable to tasks or operations in 47 crops or commodities. They applied to grains, fiber crops, vegetables, tree fruits, berries, nuts, livestock, and dairying. Some specific ceilings were applicable in every month of the year. Seasonal operations and year-round operations were affected.

Wage board reports for 1945 indicated that specific ceilings affected approximately 378,000 producers and 968,000 workers and embraced crops and operations covering more than 29 million acres. In 1946, new ceilings promulgated affected an estimated 16,600 producers and 40,140 workers embracing 260,000 acres.

(1) Geographic Scope and Intensity of Coverage

The geographic areas in which ceiling orders obtained grew from 2 States in 1943, to 7 in 1944, and 18 in 1945. The lack of extension into

new States in 1946 was due to the Department policy of limiting expansion during that year. But new ceilings were issued so that 92 orders were operative in 1946 as compared with 87 in 1945. Table 3 shows the number of ceiling orders (supplements) in effect by States for each year.

The inadequacy of comparisons of States by the number of ceiling orders in effect is recognized when analysis is made of geographic coverage within each State. Although comparisons of the number of square miles or acres affected would be more conclusive, a comparison of the number of counties affected in each State reveals where most of the specific ceiling work was concentrated. Table 4 shows that 345 counties had wage ceilings in 1946. Even though the 3 Pacific States accounted for 63 of the 92 ceilings in effect in 1946, they accounted for only 82 counties.

Inspection of the coverage by counties immediately raises a question of intensity of coverage. This is answered in part by the number of orders in effect in any one county. Tabulation of counties by ceiling orders in effect reveals that of the 345 counties, 201 counties had only 1 order, 94 had 2 orders, 24 had 3 orders, 6 had 4 orders, 9 had 5 orders, 4 had 6 orders, 2 had 7 orders, 1 had 8 orders, and 4 counties had 9 orders in effect each. If a "county order" is defined as 1 county being affected by 1 order, each county can be multiplied by the number of orders applicable to that county to get a measure of activity. These figures are broken down by States in table 5.

Consideration must also be given to whether all orders were operating simultaneously. The importance of this factor can be readily demonstrated by tabulating the seasonality pattern by States. Table 6 shows that for the United States an average of 38 orders were in effect per month, ranging from a low of 22 in January and April to a high of 63 in September. At the peak, only 68 percent of the 92 orders legally in effect were operative and on the average only 41 percent were operative at any one time. 62/

When States are ranked by order-months, that is, the number of orders in effect multiplied by the number of months they are operative, California ranked first with 167 order-months, or approximately 37 percent of the total; Oregon, second with 20 percent; Washington, third with 16 percent; and Idaho, fourth with approximately 7 percent. The remaining 14 States accounted for only 92 order-months or 20 percent of the total of 456.

62/ A complete tabulation of the ceiling orders (supplements) in effect, by States, by months, was prepared by the Wage Stabilization Division for use as a guide to determinations of the personnel requirements for the program.

Table 3. - Number of supplements in effect, by States, 1943-46 1/

State	1943	1944	1945	1946	Issued
	Number	Number	Number	Number	Number
Arizona	0	1	4	4	4
Arkansas	0	0	1	1	1
California	4	20	<u>2/28</u>	28	29
Colorado	0	0	1	1	1
Delaware	0	1	1	1	1
Florida	1	<u>3/2</u>	1	1	2
Idaho	0	5	10	10	10
Kansas	0	0	1	1	1
Maine	0	0	1	1	1
Minnesota	0	0	1	1	1
Mississippi	0	0	1	<u>4/1</u>	2
North Dakota	0	0	1	1	1
Ohio	0	0	1	1	1
Oklahoma	0	0	1	1	1
Oregon	0	4	12	17	17
South Dakota	0	0	3	3	3
Texas	0	0	<u>5/2</u>	1	2
Washington	0	8	17	18	18
Total	5	41	87	92	92

1/ Actually, supplements numbered 1 through 96 were issued. Two numbers were assigned to emergency orders necessitated by abnormal weather conditions; 1, effective in 1944 and 1 in 1945. Two other numbers were assigned to supplements having termination dates; when re-issued these were assigned new numbers. Two other supplements, numbers 33 and 34 had termination dates but were given the same numbers when re-issued the next year.

2/ Supplement number 4, picking Valencia oranges, issued October 10, 1944 terminated July 31, 1944. When a supplement was re-issued March 12, 1945 for this commodity it was given number 42.

3/ Number 35 issued October 19, 1944, terminated November 10, 1944, was an emergency order covering citrus damaged by the hurricane of that year. Number 21, first issued November 25, 1943, remained in effect for undamaged areas in 1944 and was also in effect in 1945 and 1946.

4/ Number 82, (cotton picking, pulling, and snapping) issued September 17, 1945, terminated June 30, 1946, but was re-issued as number 96 for the same area and operations September 5, 1946.

5/ Number 65, (cotton picking, pulling, and snapping) issued August 11, 1945 was revoked September 8, 1945. This was an emergency order necessitated by effect of weather.

Supplements to Specific Wage Ceiling Regulations.

Table 4. - Number of counties having specific ceilings, by States,
1943-46

State	: 1943	: 1944	: 1945	: 1946	: Supplements in effect in 1946
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Arizona	: 0	6	6	6	4
Arkansas	: 0	0	21	21	1
California	: 25	39	42	42	28
Colorado	: 0	0	4	4	1
Delaware	: 0	2	2	2	1
Florida	: 32	32	32	32	1
Idaho	: 0	26	41	41	10
Kansas	: 0	0	7	7	1
Maine	: 0	0	2	2	1
Minnesota	: 0	0	5	5	1
Mississippi	: 0	0	19	19	1
North Dakota	: 0	0	7	7	1
Ohio	: 0	0	4	4	1
Oklahoma	: 0	0	4	4	1
Oregon	: 0	5	15	20	17
South Dakota	: 0	0	70	70	3
Texas	: 0	0	48	39	1
Washington	: 0	6	20	20	18
Total	: 57	116	349	345	92

Supplements to Specific Wage Ceiling Regulations.

Table 5. - Number of counties having one or more ceiling orders in effect,
by States, 1946

State	Ceiling orders									County orders
	1	2	3	4	5	6	7	8	9	
	No.	No.	No.	No.	No.	No.	No.	No.	No.	
California	10	10	1	4	6	4	2	1	4	161
Washington	13	1	2	1	3	-	-	-	-	40
Idaho	16	14	11	-	-	-	-	-	-	77
Oregon	11	6	3	-	-	-	-	-	-	32
South Dakota	-	63	7	-	-	-	-	-	-	147
Arizona	5	-	-	1	-	-	-	-	-	9
Texas	39	-	-	-	-	-	-	-	-	39
Florida	32	-	-	-	-	-	-	-	-	32
Arkansas	21	-	-	-	-	-	-	-	-	21
Mississippi	19	-	-	-	-	-	-	-	-	19
North Dakota	7	-	-	-	-	-	-	-	-	7
Kansas	7	-	-	-	-	-	-	-	-	7
Minnesota	5	-	-	-	-	-	-	-	-	5
Colorado	4	-	-	-	-	-	-	-	-	4
Ohio	4	-	-	-	-	-	-	-	-	4
Oklahoma	4	-	-	-	-	-	-	-	-	4
Delaware	2	-	-	-	-	-	-	-	-	2
Maine	2	-	-	-	-	-	-	-	-	2
Total	201	94	24	6	9	4	2	1	4	612

Supplements to Specific Wage Ceiling Regulations.

Table 6. - Number of ceiling orders operative, by months, by States

State	: Jan. :	: Feb. :	: Mar. :	: Apr. :	: May :	: June :	: July :	: Aug. :	: Sept. :	: Oct. :	: Nov. :	: Dec. :	: Total
	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: order
	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: No. :	: months
California	: 10	11	15	12	16	17	15	15	16	16	15	9	167
Oregon	: 4	4	4	4	7	9	10	12	14	11	8	4	91
Washington	: 2	2	2	2	2	11	12	13	12	7	5	2	72
Idaho	: -	-	-	-	-	3	6	7	6	8	4	0	34
Arizona	: 1	2	2	1	1	2	2	2	2	2	3	2	22
Ohio	: 1	1	1	1	1	1	1	1	1	1	1	1	12
Florida	: 1	1	1	1	1	-	-	-	1	1	1	1	9
South Dakota	: -	-	-	-	-	1	1	1	2	2	1	1	9
Arkansas	: 1	1	1	-	-	-	-	-	1	1	1	1	7
Mississippi	: 1	1	1	-	-	-	-	-	1	1	1	1	7
Texas	: 1	1	1	-	-	-	-	-	1	1	1	1	7
Colorado	: -	-	-	-	-	-	-	1	1	1	-	-	3
Delaware	: -	-	-	1	1	1	-	-	-	-	-	-	3
Kansas	: -	-	-	-	-	-	-	1	1	1	-	-	3
Maine	: -	-	-	-	-	-	-	-	1	1	1	-	3
Oklahoma	: -	-	-	-	-	-	-	1	1	1	-	-	3
Minnesota	: -	-	-	-	-	-	-	-	1	1	-	-	2
North Dakota	: -	-	-	-	-	-	-	-	1	1	-	-	2
Total	: 22	24	28	22	29	45	47	54	63	57	42	23	456

Wage Stabilization Division, Labor Branch.

(2) Characteristics of Ceiling-Order Content

In the preceding discussion it has been assumed that the ceiling order was a fixed unit. Analysis of the content of the ceiling orders discloses the inadequacy of this assumption. As noted earlier, the first ceiling orders were predicated upon a commodity or crop basis. The requirement that certain percentages of producers of specific commodities had to request specific ceilings before they could be issued, legalized the custom. Therefore, as might be expected, most ceiling orders applied to only one crop or commodity.

As experience with the program was gained, it became evident that a single-crop approach was too narrow. Most of our agriculture is characterized by some diversity within each locality. As long as ceilings were restricted to one or two specific harvest tasks, some benefits were derived from administration of a 1-commodity order. But in areas that have competing harvests, difficulties arose unless all crops were under ceiling. Later, the need for wage stabilization for operations other than harvest was recognized.

Table 7 shows that 27 of the supplements affected more than 1 commodity. Of these, 9 affected 4 or more commodities. One of the latter actually affected 9 specifically enumerated crops as well as "other truck crops." ^{63/} Therefore, many more commodities were covered than are indicated by the number of ceiling orders.

If each commodity had been covered separately so that each wage supplement was a true "commodity-order," the States would be ranked in the order indicated in table 8.

Emphasis on the commodity approach and general recognition that harvest is the high point in most types of agriculture tended to obscure the complexity of the specific ceiling orders. That the majority of Supplements applied to harvest operations is true. As the harvest period normally brings the greatest demand for labor, wage rates tend upward at this time. Logically, therefore, most requests for wage-rate intervention were received at harvest time. Because of the seasonality of farm employment, most producers were concerned only with the immediate harvest wage problem and not with wage rates for different operations occurring the next spring.

Analysis of the 92 supplements indicates that 80 of them applied only to strictly harvest operations. Seven others specifically included harvest operations, and 2 applied to "general farm labor" which also included harvest. Two of the other 3 did not apply to crops, but to milking and sheep-shearing. Therefore, only 1 did not include any harvest operations. This was number 41, applicable to pruning of fruit and nut trees in California.

Even though most of the supplements applied only to seasonal operations, 10 were operative on a year-round basis. Table 9 shows

^{63/} For commodities covered by various supplements, see Appendix.

Table 7. - Wage supplements, by number of crops or commodities affected, by States, 1946

State	Commodities per supplement 1/				Total
	1	2	3	4 or more	
	Number	Number	Number	Number	Number
California	22	2	2	2	28
Washington	13	4	0	1	18
Oregon	8	2	2	4	17
Idaho	7	1	1	1	10
Arizona	2	2	0	0	4
South Dakota	2	0	0	1	3
12 others	11	0	1	0	12
Total	65	12	6	9	92

1/ Eighty-one of the supplements were specifically written and readily classified. Four of the others specified at least four commodities by name, even though they also included general terms such as "and other truck crops" or "other grain." The category for the other seven was more questionable. - Supplement 76 covers "greenhouse vegetables" but the hearing transcript reveals that only tomatoes were **involved**. Supplement 41 covers pruning of "fruit and nut trees"; this was classified as only 2 commodities. Supplement 71 covers "wheat and other grain"; this was classified as 3 commodities. Supplements 60 and 67 specify 2 commodities and "other grain"; these were listed as 4 or more. Supplements 59 and 90 apply to "general farm labor" without specifying commodities, but it is known that four or more commodities are produced in these areas.

Supplements to Specific Wage Ceiling Regulations.

Table 8. - States ranked by commodity orders

State	:	Commodity orders
		Number
Oregon	:	47
California	:	43
Washington	:	26
Idaho	:	17
South Dakota	:	7
Arizona	:	6
Florida	:	3
Other 11 (each 1)	:	11
Total	:	160

Supplements to Specific Wage Ceiling Regulations.

the operations affected by these 10. 64/ It may also be noted from this table and the preceding paragraph that 88 supplements applied to crops as compared with 4 which affected livestock (40,9:7377,10:9070;11:6484,6536).

Although the majority of supplements applied to harvest operations related to only 1 commodity, this did not mean that only 1 ceiling wage rate was involved. For example, a supplement restricted to potato harvest might specify rates for picking, leading, digger operating, truck driving, etc. A check of the number of different ceiling rates prescribed in various supplements indicates that they contained from 1 to 18 each, with a total of 437 different specific ceiling rates for different tasks.

The number of ceiling rates in effect by States is illustrated in table 10. If each ceiling rate established is considered as a unit -- "rate-order" -- the States would rank in the following order for 1946: 1. California, 2. Oregon, 3. Idaho, 4. Washington, 5. South Dakota, 6. Florida, 7. Colorado, Kansas and Oklahoma, 8. Arizona, 9. Ohio, 10. Delaware, Minnesota and North Dakota, 11. Arkansas, Maine, Mississippi, and Texas.

After comparing the several ways of measuring scope and characteristics of the specific ceilings that have been discussed, it is impossible to say with certainty in what order the States should be ranked in terms of "how much" specific ceiling activity was in effect. The measures can hardly be combined by multiplication, addition, or other

64/ See Appendix for other operations covered.

Table 9. - Supplements applicable to year-round operations

Supplement	State	Operations and commodities
Number		
18	Washington	Picking, swamping, thinning, spraying, tractor driving, and general apple-orchard work.
20	California	Hand and machine milking, milkhouse machine operators and can men in dairies.
25	Oregon)	Picking, swamping, bucking, loading
26	California)	potatoes; hand topping and sacking, loading, bucking, swamping onions; hay stacking and other hay-harvest labor; eight different enumerated harvest operations for wheat, barley, and other grains; and general farm operations including planting, cultivating, harvesting, and general farm work.
47	Oregon	Planting, cultivating, harvesting, and general farm work and six other enumerated operations on wheat, dry pea, and hay farms.
50	Oregon	Picking cherries, apricots, peaches, and other tree fruit and doing general orchard work.
57	California	Tree picking, pruning, thinning, irrigating, cultivating, spraying of apples.
59	Washington	General farm labor.
76	Ohio	Planting, watering, thinning, spraying, pollenizing, picking, grading of greenhouse vegetables.
90	Oregon	General farm labor other than harvesting cranberries and shearing sheep.

Supplements to specific wage ceiling regulations.

Table 10. - Number of specific ceiling rates promulgated for different tasks, by States, 1943-46 ^{1/}

State						1946
	: 1943	: 1944	: 1945	: 1946	: Supple-	: Average rates
	: Number	: Number	: Number	: Number	: ments	: per supplement
						Number
Arizona	: 0	3	9	9	4	2 1/4
Arkansas	: 0	0	2	2	1	2
California	: 25	102	146	149	28	5 1/3
Colorado	: 0	0	10	10	1	10
Delaware	: 0	2	3	3	1	3
Florida	: 13	19	13	13	1	13
Idaho	: 0	43	74	73	10	7 1/3
Kansas	: 0	0	10	10	1	10
Maine	: 0	0	2	2	1	2
Minnesota	: 0	0	3	3	1	3
Mississippi	: 0	0	2	2	1	2
North Dakota	: 0	0	3	3	1	3
Ohio	: 0	0	4	4	1	4
Oklahoma	: 0	0	10	10	1	10
Oregon	: 0	29	69	77	17	4 1/2
South Dakota	: 0	0	15	15	3	5
Texas	: 0	0	4	2	1	2
Washington	: 0	19	48	50	18	2 3/4
All States	: 38	217	427	437	92	4 3/4

^{1/} The same tasks in different areas are included if listed in different supplements, but are not counted more than once if in the same supplement, even if different rates are given for different areas within the State.

Supplements to Specific Wage Ceiling Regulations.

direct mathematical manipulation. Even if this could be done, it would be necessary to include measures of other factors such as number of farms affected, acreages, volume of products, and man-days of work affected.

If all these variables could be measured by one consolidated unit of measurement, it would still not be a complete measure of the work load or activity encountered in the program. The previous paragraphs have been concerned only with physical or concrete factors. The "amount" of activity would still be dependent upon a number of intangibles such as "correctness" of wage rates promulgated, the competitive upward pressure on the ceilings, and the co-operativeness of producers and workers. The following sections on adjustments and compliance are somewhat in the nature of a measurement of some aspects of these intangibles.

Extent of Specific Ceiling Adjustments

During the 1945 calendar year, State wage boards handled 9,885 applications for specific ceiling adjustments. Of these, 9,758 were approved. Because of the practice in several States of first "clearing" the adjustment by telephone or verbally with a local committeeman or fieldman before it was reduced to a formal application, it appears certain that no record is available of a large number of additional adjustment applications which were "disapproved" before they were formally made.

During 11 months of calendar year 1946, 5,241 applications were reported by State boards. The same qualifying statement with regard to accuracy of count applies to the first half of this year. Field personnel had specific instructions to make a written record of all applications reported after July 1, whether they were formally presented by the applicant or not. The specific ceiling adjustments handled in 1946, by States and by months, are shown in table 11.

Scope of Compliance Activity

The scope and nature of compliance activities are difficult to isolate and measure. Generally, the over-all policy of securing compliance voluntarily, rather than through punishment of violators, predominated during the last year of operations. The emphasis was on prevention rather than enforcement.

Personal contacts with growers and workers were of utmost importance in the preventive program. Idaho reported personal contacts with more than 5,000 individuals from the summer of 1944 to November 9, 1946. Some of these were contacted several times. Newspaper and radio stories and posters were widely used.

Table 11. - Number of specific ceiling adjustment applications handled,
by States, by months, 1946 1/

State	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Total
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Florida	710	617	552	263	0	3/	3/	3/	63	199	113	2,517
California	335	5	23	197	161	9	17	74	248	274	95	1,438
Oregon	0	0	0	0	0	206	56	27	110	176	36	611
Washington	0	0	0	0	0	121	6	16	121	131	1	396
Idaho	3/	3/	3/	3/	3/	65	19	86	49	23	0	242
Mississippi	0	2	0	3/	3/	3/	3/	3/	0	10	2	14
Arizona	0	6	0	0	0	0	0	0	1	2	0	9
Minnesota	3/	3/	3/	3/	3/	3/	3/	3/	2	7	3/	9
North Dakota	3/	3/	3/	3/	3/	3/	3/	3/	5	0	3/	5
South Dakota	3/	3/	3/	3/	3/	0	0	0	0	0	0	0
Total	1,045	630	575	460	161	401	98	203	599	822	247	5,241

1/ No adjustment reports received from Arkansas, Colorado, Delaware, Kansas, Maine, Ohio, Oklahoma, and Texas.

2/ Controls were in effect only until November 9, 1946.

3/ No ceilings in operation.

Reports from State-USDA Wage Boards, Wage Stabilization Division.

Probably the most important single factor in securing compliance was the use of local voluntary committeemen to make recommendations on adjustment requests. These formed a nucleus for building a community interest in seeing that all individuals conformed with the ceilings. Rapid action on adjustments, made possible by this approach, prevented delay or "red tape by Government officials" from being used as an excuse for noncompliance. For every employer and every worker who obtained a "square deal" through the action and interest of local committees, one more person was added to the local "citizen police force."

Direct enforcement activities are easier to enumerate. During the calendar year 1945, a total of 890 alleged violations were reported to State-USDA wage boards. Of these, 796 were investigated. The majority were found to be based on unsubstantiated rumors. Many came from misunderstanding of the program and of adjustments that had been granted. Some were undoubtedly unfairly started by producers or workers in an effort to break a ceiling.

During 1945, the Compliance and Investigations Branch cooperated in investigating alleged violations. The 59 cases reported as having been investigated by agents of that Branch included: 14 in California; 9 each in Washington, Maine, and Mississippi; 7 in Texas; 5 in Oregon; 4 in Idaho; and

2 in Arkansas. 65/ All other cases were investigated by wage stabilization personnel.

During the period only 42 cases were docketed for formal hearings before State wage boards or special examiners. These cases affected 57 named individuals or firms. Action against 17 of the respondents was dismissed on grounds that no violation was proved. Upon findings of extenuating circumstances no sanction or penalty was imposed against 7 of the 40 respondents found to have violated the regulations. Administrative sanctions totaling \$45,992.79 were ordered for the other 33 respondents. These were all in the nature of certifications to the Commissioner of Internal Revenue to the effect that certain specified amounts could not be considered as wages legitimately paid for deductions for income-tax purposes.

Analysis of the records reveals that the full amounts of wages paid in violation were not certified. Some part of the violation was invariably excused on the basis of mitigating circumstances. The cases formally docketed are listed by States in table 12.

Table 12. - Violation cases resulting in formal hearings, by States

State	:	:	:Orders against respondents			: Sanctions	
			:	:	:	:	:
	Dockets	Respon-	Dismissed	No	Imposed	Total	Average
		dents		sanction	sanctions		per
							respondent
	Number	Number	Number	Number	Number	Dollars	Dollars
California	26	36	9	4	23	38,192.79	1,660.56
Oregon	6	9	5	2	2	3,000.00	1,500.00
Maine	4	4	0	0	4	2,400.00	600.00
Washington	3	3	1	0	2	1,000.00	500.00
Idaho	2	3	1	1	1	1,000.00	1,000.00
Florida	1	2	1	0	1	400.00	400.00
Total	42	57	17	7	33	45,992.79	1,393.72

Basic data from Solicitor's Office, United States Department of Agriculture

Criminal action was much talked of, but was not instituted in any case. Action to obtain a restraining order under injunction procedure in the Federal courts was attempted in one case in Mississippi. The court refused to issue

an immediate restraining order and scheduled the case for a later hearing. In the meantime, the grower ceased violating and complied with the regulations of his own accord. Accordingly, the case was dismissed on recommendation of the Department.

That a small number of sanctions was imposed does not mean that all the other violations were based on false rumors. In some cases, available evidence would have supported only insignificant amounts, of \$25 to \$50 in total wages paid at violation rates, with no evidence of unstabilizing effects. Others contained mitigating circumstances to the extent that no sanctions would have been imposed even if charges had been brought and proved. In several cases of this type and of those involving insignificant amounts, warning letters were issued. These letters indicated that no action on the alleged violation was being taken at the time, but that action would be instituted if complaints of further possible violation were received. Evidently these letters served to deter further violations as no case of an alleged second offense is on record.

Summary and Conclusion

In this chapter attempt has been made to demonstrate the scope, magnitude, and intensity of the program. Effort has been made to measure in quantitative terms both the total program and some of its parts.

Cursory inspection of the developed "yardsticks" immediately indicates their limitations. When consideration is given to the number of measures by which particular States ranked first or second, however, it may be concluded that the most coverage under specific wage ceilings occurred in California, Oregon, and Washington, respectively. This assumes that what was determined by each measure was of comparable importance. Actually, ranking third or fourth by one standard probably indicated greater program activity than ranking first on a different basis. Another shortcoming of these rankings is the complete lack of indication of the degree by which one State outranked another.

This chapter disclosed, however, that the program operated on a year-round basis, even though the work in any particular area was characterized by a high degree of seasonality. It covered a multitude of commodities, operations, and tasks. The problem of assuring a relatively stable balance in the farm-wage rate structure was magnified by the complexity of the interrelationships between the many operations and tasks. Although wages for much of the work covered were on a piece-rate basis, the units involved and the amount of work required to produce a unit were not directly comparable. Further complications resulted from the need for integrating piece-work rates with rates on a monthly, daily, or hourly base, for the same or closely related work.

When activity can be measured quantitatively and reduced to comparable units of activity, a valuable administrative tool is obtained. For example, if an entire program can be reduced to comparable units of activity or work performed, these can be divided by man-months expended, to ascertain performance per man-month. They can also be divided by

dollars expended to find unit costs. Such unit measures then become valuable guides in planning, budgeting, and staffing, for further program activity. Quantitative measurement of a part of a program would serve a similar but more limited use.

Only a few safe conclusions may be drawn from this analysis. One is that the greatest activity was centered on the West Coast. Another is that the program involved many complex wage-rate relationships. It may also be concluded that the amount of activity or work involved in carrying out such a program defies accurate measurement in terms of individual workload units or similar standards currently being used or attempted in Federal programs. ^{66/} Certain subjective elements are present which can be evaluated only on a judgment basis. This conclusion does not deny the fact that such quantitative measures as can be developed are useful administrative tools when tempered with judgment based on experience. Although the measurements developed do not appear to measure adequately for purposes of comparing activity between States for operating decisions, they appear to have some validity for assessing trends in the total program. The way in which the measures can be utilized for this purpose is treated in chapter 7.

CHAPTER 6. THE EXTENT TO WHICH OBJECTIVES WERE ACHIEVED

Changes and considerable shift in emphasis occurred with regard to the program's objectives during the period of its operation as already shown. To facilitate analysis, the objectives may be briefly repeated as follows:

1. To assist in preventing inflation.
2. To permit agricultural wage rates adequate for retention and recruitment of labor essential to agricultural production by permitting a rise in the general level of agricultural wages, and permitting a reduction in the disparity between agricultural and industrial wages.
3. To prevent uncontrolled spiraling of agricultural wage rates.
4. To stabilize the agricultural labor market by minimizing labor pirating, labor turn-over, loss of working time, and earnings to workers, etc.

^{66/} For discussion of workload measurement, see U. S. Bureau of the Budget, Work Measurement in Budget Preparation, Materials prepared for Training Conference on Budget Formulation Sponsored by the Committee on Training in Budgetary Administration, Washington, 1947 [unpublished]. See also chapter by Verne B. Lewis, Budgetary Administration in the Department of Agriculture in Gaus and Walcott (5, pp. 426-430).

5. To stabilize agricultural labor costs in relation to price control.

Because of the interrelationships of the forces and factors involved in attaining these objectives, no attempt will be made to measure separately and in order the degree of achievement under each objective. Rather, the segments will be fitted together as seems logical while the analysis is being built up.

Effects of the Program on Farm-Wage Rates

Administration policy as defined at the inception of the program indicated that a general increase in the level of farm-wage rates was justified. This policy was based on recognition that there was a wide disparity between wages and salaries in agriculture and in other industries, that farm wages were generally substandard, and that retention and recruitment of labor for agriculture was necessary if food and fibers needed for war and its aftermath were to be produced (40,7:10024). Increases in farm-wage rates up to \$2,400 per year, or \$200 per month, were not considered inflationary per se. Uncontrolled increases above this general level were considered to contain dangerous inflationary potential.

Analysis of the effects of the program on farm-wage rates has been approached from several viewpoints. Before discussing these individually, it may be said that the analysis reveals that (1) the program did not prevent farm-wage rates from rising, (2) the rate of upward acceleration of wage rates was retarded during the time of the program's operation, and (3) the disparity between agricultural and industrial wage rates for the Nation generally was not substantially decreased.

(1) Effects on Over-all Increases in Farm Wages

Throughout the United States, generally, farm-wage rates continued to rise during the period the program was in operation. For several decades, the Bureau of Agricultural Economics has published farm-wage rates, giving, as of the first of each quarter, rates paid per month and per day with and without board. A weighted monthly average of these rates, known as a composite rate, has also been computed and published (20).

Table 13 shows that there was a virtually continuous increase in the composite rate from January 1941 to October 1946. Under more critical inspection, the rate of increase seems to have continually decreased since 1943, the year the agricultural wage stabilization program was placed in operation. This becomes more apparent when a weighted average monthly rate is computed for each year and converted to an index number. The rate for January 1, 1941, was chosen as the base rate. That date was particularly significant to the program as it was the date from which the applicability of the "Little Steel" formula and later cost-of-living criteria were figured. 67/

Table 13. - Monthly composite farm-wage rates, by quarters, January 1, 1941 to October 1, 1946

Quarter	1941	1942	1943	1944	1945	1946
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
January	32.50	43.50	60.00	73.00	86.00	91.00
April	32.50	42.00	57.00	71.00	81.00	86.00
July	40.00	49.00	65.00	80.00	89.00	97.00
October	40.50	55.00	71.00	82.00	89.00	99.00

Based on data from Bureau of Agricultural Economics, Farm Labor.

From this index, a simple measure of the annual increase of farm-wage rates may be had by comparing the number of points the index number for any given year is above the index number for the previous year (table 14).

Table 14. - Index numbers and measure of amplitude of annual increase in farm wage rates, 1941-46

Year	Farm wage rate	
	Index number	Measure of
	Jan. 1, 1941 = 100	amplitude of increase
1941	118	18
1942	154	36
1943	203	49
1944	243	40
1945	271	28
1946	296	25

Based on table 13.

Comparison of this "growth" by years indicates that even though wage rates have increased continuously since January 1941, the annual amount of increase has not been constant. Farm-wage rates increased at a rising tempo into 1943. Since that time the annual increases have been at a decelerating rate.

The period during which the deceleration in farm-wage rates has taken place is coincident with the effective period of the Agricultural Wage Stabilization Program. This is true, even though it is impossible to isolate and measure the extent to which this phenomenon may be attributed to this program. Certainly, other factors, such as the availability of labor supply and prices for farm products affected the level of wage rates.

The pattern applicable to the United States as a whole also obtains generally by regions, as indicated in table 15. In all regions, wage rates were increasing at the greatest acceleration, prior to 1943. In the regions in which they were spiraling the fastest, greatest efforts were made to administer the program actively by establishing State-USDA wage boards, by promulgating specific wage ceilings, and by placing paid personnel in local areas to administer both the specific and the general regulations. (See table 16.) These regions are coincident with the ones in which table 15 shows the rate of deceleration has been the greatest. Areas in which the rate accelerated in 1946 are coincident with areas in which greatest relaxation in administration of the program occurred that year. This comparison supports the importance of wage stabilization as a predominant factor in retarding the upward movement of wage rates.

Table 15. - Measure of amplitude of annual increase of farm wage rates, by regions, 1941-46

Region	January 1, 1941 = 0					
	: 1941	: 1942	: 1943	: 1944	: 1945	: 1946
	:	:	:	:	:	:
Pacific	: 23	54	64	36	17	13
Mountain	: 38	34	56	45	27	14
West South Central	: 14	44	54	49	32	18
East South Central	: 8	35	39	39	17	28
South Atlantic	: 8	27	37	34	27	34
West North Central	: 51	45	66	47	36	18
East North Central	: 32	29	40	30	21	27
Mid-Atlantic	: 24	29	37	27	20	25
New England	: 14	38	33	25	15	15

Based on data from BAE, Farm Labor.

(2) Effects on Wage Rates in High and Low Rate Areas

Part of the argument for not "freezing" farm wage rates and for providing a general ceiling of \$2,400 per annum was the finding that farm-wage rates were generally substandard in the fall of 1942. Although it was so misinterpreted by many, this did not mean that all wage rates below this general ceiling were considered substandard. Other considerations were involved in selecting this figure. On October 1, 1942, day wages of

\$0.95 with board and \$1.25 without board for South Carolina and \$1.15 and \$1.45, respectively, for Georgia, were reported. On the same date, California averaged \$4.35 per day with board and \$5.50 without board and Washington averaged \$4.65 per day with and \$6.10 without board (20, October 1942).

Wage rates on the West Coast soon increased to rates comparable to the equivalents of \$2,400 per year (table 17). This occurred first in areas of specialized crops employing large numbers of seasonal workers contiguous to industrial areas that were high-priced both in terms of industrial wage rates and costs of living. The general ceiling and more positive controls in terms of specific ceilings were then applied. The extent to which these controls operated as a brake on spiraling wages is further revealed when percentage increases in the highest rate States are compared with those in the lowest rate States.

Table 17. - Percentage increase in day wage rates with and without board, specified States, from October 1, 1943 to October 1, 1946

States	:	With board	:	Without board
	:	Percent	:	Percent
Low rate:	:			
Georgia	:	73		63
South Carolina	:	65		76
High rate:	:			
California	:	25		22
Washington	:	17		12

Basic data from BAE, Farm Labor, October 1943 and October 1946.

From 1943 to 1946, California and Washington had more specific ceiling orders than any other States. Georgia and South Carolina had no specific ceilings during the operation of the program.

(3) Effect on Relationships between Agricultural and Industrial Wage Rates

The general wide disparity between farm wages and industrial wages was in large part responsible for the immediate and serious reduction in the farm-work force in the early days of the defense and war boom. It appeared obvious in the fall of 1942 that this disparity must be decreased if workers were to be recruited for and retained on farms.

"Was this disparity decreased?" may well be asked at this time. The published index of farm-wage rates of the Bureau of Agricultural Economics places the October 1, 1946, figure at 389 or 289 points above the 1910-14 base of 100 (20, October 1946). Converting the BAE index to a January 1, 1941, base reveals an increase from 100 to 314 points to July 1, 1946. Computing an index from the hourly earnings for all

manufacturing as published by the Bureau of Labor Statistics reveals an increase from 100 to 160 from January 1, 1941, to July 1, 1946 (table 18).

Table 18. - Trends in earnings of industrial and agricultural workers, by quarters, January 1941 - October 1946

Year and month	: Average hourly earnings for 1/		: Agriculture		: Disparity	
	: all manufacturing		: Average		: between	
	: Index num-		: Weighted		: agriculture	
	: Rate		: average rate:		: and manufac-	
	: 1941=100	: bers Jan.	: per month 2/	: Rate 3/	: bers Jan.	: turing hourly
	: 1941=100	: 1941=100	: 1941=100	: 1941=100	: 1941=100	: earnings
	Dollars		Dollars	Dollars		Dollars
1941						
Jan.	0.683	100	32.50	0.181	100	0.502
April	4/	4/	32.50	.181	100	4/
July	.735	108	40.00	.222	123	.513
Oct.	4/	4/	40.50	.225	124	4/
1942						
Jan.	.801	117	43.50	.242	134	.559
April	4/	4/	42.00	.233	129	4/
July	.856	125	49.00	.272	150	.584
Oct.	.893	131	55.00	.306	169	.587
1943						
Jan.	.919	135	60.00	.333	184	.586
April	.944	138	57.00	.317	175	.627
July	.963	141	65.00	.361	199	.602
Oct.	.988	145	71.00	.394	218	.594
1944						
Jan.	1.002	147	73.00	.406	224	.596
April	1.013	148	71.00	.394	218	.619
July	1.018	149	80.00	.444	245	.574
Oct.	1.031	151	82.00	.456	252	.575
1945						
Jan.	1.046	153	86.00	.478	264	.568
April	1.044	153	81.00	.450	249	.594
July	1.032	151	89.00	.494	273	.536
Oct.	.985	144	89.00	.494	273	.491
1946						
Jan.	1.004	147	91.00	.506	280	.498
April	1.058	155	86.00	.478	264	.580
July	1.093	160	97.00	.539	298	.554
Oct.	4/	4/	99.00	.550	304	4/

1/ Bureau of Labor Statistics, Monthly Labor Review, (24).

2/ Bureau of Agricultural Economics, Farm Labor, Dec. 9, 1949.

3/ Computed from weighted average rate per month by dividing by 180 hours per month. (20 days at 9 hours each)

4/ Information not available.

AVERAGE HOURLY EARNINGS, AGRICULTURE & MANUFACTURING

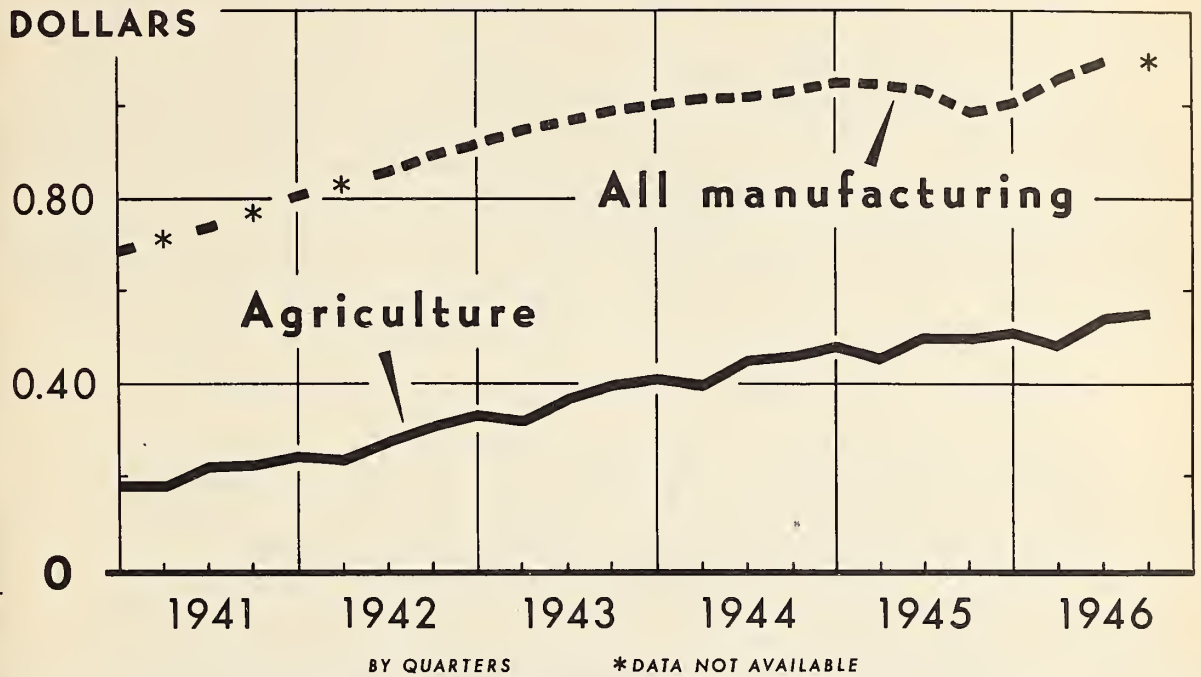


Figure 1

It appears from a comparison of these index numbers that the increase in farm wages was out of all proportion to the increase in nonfarm wages. This tremendous percentage increase in farm-wage rates has led to criticism that the agricultural wage stabilization program was too lax. However, this tremendous percentage increase was not generally as significant as it appears at first glance.

Groceries are bought with "cents" not with "percents." When the dollar-and-cents difference in hourly earnings is computed, it is noted that manufacturing workers earned 50.2 cents more per hour than

farm workers in January, 1941. ^{68/} By October 1942 this disparity had increased to 58.7 cents, and by January 1944, to 59.6 cents (table 18; figure 1).

Because official cognizance of the effect of the farm-nonfarm wage disparity on farm-labor supply was not taken until late in the fall of 1942, the discussion in the preceding paragraph is not directly germane to the present question. The comparison should be of earnings subsequent to the wage-stabilization program. Data for January 1943, are the first available subsequent to the wage stabilization regulations, initially issued on October 27, 1942. These data disclose that manufacturing workers earned 58.6 cents per hour more than farm workers. From this date to April 1944, the difference fluctuated. Since July 1944, however, the disparity has for all dates except April 1945 been less than in January 1943. For January 1946, hourly earnings were only 49.8 cents less than for manufacturing workers. Therefore, in 3 years, during the operation of the wage stabilization programs, farm workers for the United States improved their position by 8.8 cents per hour as compared with the manufacturing group of industrial workers. But they were still earning only \$0.50 per hour as compared with \$1 for manufacturing workers.

Effects of the Program on Stability of the Labor Market

One of the purposes of the wage-stabilization program was to stabilize the labor market. As was indicated during the nineteen thirties, it is natural for seasonal farm workers to "shop around" and chase rumors of higher wage rates. This tendency becomes stronger as jobs become more plentiful and wage rates increase. Evidently many growers, during the thirties, made the most of this situation by spreading rumors of high rates, thus drawing large numbers of workers into particular areas. Sometimes the stories were legitimate; sometimes not. In some cases the purpose was to get an oversupply of labor so that wages could be depressed; sometimes it was to get the crop out in a hurry to take advantage of favorable weather or favorable markets. Workers, too, spread wage rumors. "Runners" were sent into areas in advance of groups of migratory workers to "drum-up"

^{68/} The monthly composite wage has been converted to hourly earnings by dividing by 180 working hours per month. That farm workers, other than those employed on an annual or monthly basis, averaged approximately 20 working days per month is generally accepted. That workers average 9 hours per day is subject to greater question. However, observations during administration of the wage stabilization program indicate that actually more hours are seldom worked, even in peak harvest periods. Those peaks are generally leveled in off seasons. A 9-hour day was selected also because it has been generally used in the farm wage stabilization program in determining rates equivalent to \$2,400 per annum. Had a different figure been used, the major effect in this analysis would have been to raise or lower slightly the "absolute" hourly earnings.

the wage rates. Workers spread stories among employers that, "they're paying a cent more per pound in Jones County." 69/

Confusion and inefficiency in the farm-labor market was pretty much an accepted fact shortly before World War II. Much of the confusion was due to lack of an integrated public farm-labor exchange service, prior to 1942 (21,pp.44-49). The wartime Farm Labor Supply Program, as conducted cooperatively by the Office of Labor and the Extension Service of the Department of Agriculture, brought considerable order to the recruiting, routing, and placing of farm workers.

But even in the effective operation of this program, it was found that the question of wage rates was of paramount importance. In many States this was answered to a considerable extent by the program for determining prevailing wage rates developed in connection with the Farm Labor Supply Program (17;4,pp.112-113). There appears to be little question, however, that in the States of diversified intensive crops, specific wage ceilings were very influential in eliminating confusion and inefficiency in the labor market.

William H. Metzler of the Bureau of Agricultural Economics has described this function of wage ceilings as follows:

The most apparent function of wage ceilings is to stop the upward spiraling of wage rates. Spiraling occurs when, during a scarcity of labor, either employers bid against each other for the existing supply or workers use pressure to increase their wages as much as they can. A wage ceiling sets an arbitrary limit above which wage bargaining is not supposed to go. If wage offerings go above this point, the bargaining is kept highly secret and the tendency toward spiraling is almost wholly nullified.

The circumstances that a wage ceiling overcomes are partly psychological. Growers are afraid they will be unable to get enough labor to harvest their crops. In their anxiety they overstep their scruples against pirating workers away from their neighbors. Workers, on the other hand, commonly feel that they have been underpaid in the past so they put as much pressure on their employers as the situation will bear.

Wage-ceiling protection is chiefly against the overanxious grower and the "agitating" worker. Both were active in California in 1942 and 1943.

69/ See chapter 1.

An equally important function of wage ceilings is to obtain a more complete use of the existing labor supply. A situation of an upward spiraling of wage rates causes workers to lose a lot of time shopping around for offers of higher pay. As they quit, growers spend valuable time looking for new crews. Wage ceilings eliminate much of this wasted motion, especially if they are so managed as to equalize earnings from one orchard or field to another (13,pp.60-61).

More detailed discussion of the ultimate effect of the stabilized labor market is divided under the following subheads.

(1) On Individual Worker Earnings

Even though the average hourly earnings of farm workers, the country over, only kept pace with industrial worker earnings (table 18) individual workers were in a position to make greater total earnings in areas of specific wage ceilings because of greater stability in employment. For some individuals, greater hourly earnings were also possible. This was particularly true for workers employed on a piece-rate basis. Reports from nearly all specific ceiling areas show that the constant shifting from farm to farm with its incalculable loss in working time was largely eliminated. Workers found they could not stay in one place and finish the job. Other workers indicated that they now chose their employers on the basis of cabins and other "furnish" and that they actually made more money and lived better because of elimination of the need to be never-endingly on the move in search of higher rates. "Sticking it out" on a job caused piece-rate workers to become more proficient with increased hourly earnings as a direct result. 70/

(2) On Production Costs

For the same reasons that earnings increased, production costs tended to decrease. That excessive labor turn-over is expensive is patent. Because of the greater productivity per worker and because of assurance of an available labor supply, farmers got their crops harvested in better time. Advantage could be taken of good weather and market conditions. Even though the total available labor supply was often less than in former years, a grower could plan with reasonable certainty on finding his quota of workers ready for the job each morning. The half-days of perfect weather lost in rounding up and breaking in a new crew, which have been so common in agriculture, were largely eliminated. The

70/ Correspondence and reports from State-USDA wage boards in Wage Stabilization Division files, particularly Oregon USDA wage boards (37,1946,pp.25-30), and Arizona USDA wage board, "Agricultural Wage Stabilization in Arizona, 1944-1946", pp. 12-13 [typed]. Also see Hanger and Metzler (9,p.7), and U. S. Senate, Hearings (28,1947:330-331).

more marketable product, which resulted in many cases, brought better returns which, in effect, made the cost of production a smaller percentage of the value of the final product. 71/

(3) On Production

Surveys and comments from several areas also disclose emphatic beliefs that production was increased for the same reasons that production costs decreased and workers' earnings increased. This effect was apparent on quality and on quantity. To the extent that stabilization of the labor supply permitted harvest in season and under more favorable weather conditions, there was improved quality of product. Better quality actually meant more food per bushel or other unit of product because of decreased deterioration and waste.

No matter how good the crop year, a grower usually finds himself with some sparse yields. Whether he will attempt to harvest these marginal crops depends upon several factors, not the least of which is harvest costs as compared with possible returns for the product. As production costs are reduced, it is profitable for the grower to harvest more and more of these marginal crops. This can actually continue until the harvest labor and marketing costs equal or nearly equal the return for the product. The grower has already invested the cost of planting, cultivation, and other costs of making his crop. Without harvest, this is all lost. To minimize these losses he will harvest at a loss as long as the expected return will net something above the costs of harvest and marketing. That submarginal crops can become marginal crops when the wages and the labor market are stabilized, even though wage rates are adjusted so that workers receive earnings comparable to those possible while working in the better crops, is indicated by experiences under the Wage Stabilization Program (28,1945,p.114).

The same principles as those discussed above coupled with the wage-rate-adjustment feature of the specific ceiling program made it possible for a small farmer or one with poorer crop or equipment to obtain and keep workers. The adjustment feature equalized prospective earnings so that the individual worker had little to gain by going back on the road in search of a more productive crop area. Even though this marginal producer had to give a bigger return to labor and had to accept a smaller profit than his more fortunate neighbor with the better land or equipment, it did make it possible for him to get laborers to harvest his crops. If wage rates had been uncontrolled in this period of scarcity of workers, this producer would have had no chance to compete for labor.

71/ Robert H. Shields, PMA, in a letter to Chester Bowles, Economic Stabilization Director, May 7, 1946.

Effects of the Program on Inflationary Tendencies

To the extent that total earnings increased, it may be argued that the purchasing power of farm workers created potentially inflationary forces. When the actual size of the increased earnings is stacked against the cost of what the farm wage earner must purchase in order to exist, however, its potential is greatly diminished.

Similarly the increased profit to growers occasioned by decreased production costs may afford inflationary potential. But the inflationary effects of increased profits were probably offset by a number of factors. When consideration is given to the small cash reserve and depleted farm plant of most growers who emerged from the thirties, it can be assumed that most of any extra profits were put aside for the proverbial rainy day or put back into the farm plant to make possible further increased production. More important, the actual increased production placed more food on the market to meet the demands of city purchasing power and thus tended to decrease the potential of this far greater inflationary force. 72/

Although the entire question of inflation is extremely difficult to appraise, it is this author's opinion that the effects on the psychological aspects of inflationary tendencies were probably more important than the direct economic effects. Any uncontrolled spiraling of costs, such as that occasioned by "pirating" of labor and excessive labor turn-over, leads to apprehension on the part of the grower that he will either not get his work done or that his costs will be so high it will not pay. The immediate tendency under this situation is to try to secure guarantees of higher prices. 73/ Insofar as occasioned by labor costs, this psychological force was largely nonexistent under conditions of ceiling wage rates. The farmer was in a position to estimate his maximum wage bill fairly accurately in advance, on the basis of his estimated yields or acreages, and to that extent could decrease his uncertainty and apprehension of the future. 74/

Measurement of Achievement of Objectives on Basis of Grower and Worker Attitude

Written expressions of approval or disapproval of the program by either growers or workers were limited in number. In view of the effort made to administer the program so that specific wage ceilings

72/ See footnote 10, page 11. Memorandum 5-46.

73/ Fred M. Vinson, Economic Stabilization Director, in a letter to Marvin Jones, War Food Administrator, April 25, 1944 and Robert H. Shields, letter to Chester Bowles, May 7, 1946.

74/ Ibid. See also W. A. Minor, Chairman, Committee Designated to Appraise the Wage Stabilization Program, in a memorandum to the Secretary of Agriculture, March 22, 1946, and Oregon-USDA wage board (37,1946:25).

would be established within an area before either the wage pattern or the uncontrolled bidding and competition for labor became so chaotic as to throw the entire labor market into turmoil, the lack of loud expressions of either approval or disapproval can be interpreted as indicating that the program accomplished its objectives to the benefit of both employers and employees.

Written statements by 15 workers in Minnesota during the 1945 harvest indicated unanimous satisfaction with the program. The principal advantages mentioned were: The worker knew what the wages were going to be; he wasted no time looking around for higher rates nor in arguments with individual farmers as to what a fair rate might be; and net earnings were actually higher as a result of the steady work that resulted when a person would "stay in the same place and finish the job." 75/

Opinions of growers from Texas, given in letters or reflected in resolutions from 87 growers or groups of growers, indicated that the program tended to stabilize labor supply, assured a more systematic harvest, decreased chances of crop damage from weather, assured fairer and better utilization of available labor, and brought about a fairer distribution of gross farm income between producers and workers.

Hanger and Metzler in their study of "Farm Wage Stabilization in the Pacific States" found that:

The adjustment provisions have acted in the general direction of rational distribution of farm labor; very few growers have suffered substantial losses because of inability to secure necessary labor. A small fruit grower said, "We couldn't have gotten along without it. . . ." In the same area, a large-scale operator remarked, ". . . I'm for these ceilings. They're the only reason we're getting our Newtons picked this season" (9,p.8).

Letters and resolutions expressing similar attitudes toward the program by farmers were received from Arizona, California, Florida, Idaho, Mississippi, Minnesota, North Dakota, Oregon, Washington, and other States (28,1947,pp.332-333; 2,pp.3-4). 76/ It is interesting

75/ Minnesota and North Dakota -USDA wage board, Annual Report for 1945. Prepared by E. Milton Lien, Executive Officer, Ada, Minn. 1946 [unpublished].

76/ Letters and resolutions in Wage Stabilization Division files.

that the American Farm Bureau Federation opposed the program in 1944 but recommended an appropriation for it in 1945 (25,1945,1471-1472; 28,1946,p.480).

The most convincing evidence that growers who had experience with the program generally believed it was attaining its objectives is probably found in the requests for continuation and extension of specific ceilings and the support for appropriations for the program, reflected through the actions of their representatives in Congress.

In debate on the appropriation bill for fiscal year 1946, Congressman Gearhart of California stated:

This is one program that has been administered with the unqualified approval of everyone whose attention has been called to it The wage stabilization program is popular with both the workers and the owners of the farms We have under consideration a program that everybody is for; a program which has worked in the years gone by; one which has helped the farmers of our common country to harvest the bumper crops, that have made the winning of this war the certainty it is We have many times had to face the utterly impossible situation of farmers on opposite sides of the road outbidding each other for the labor of the none-too-many workers to the result that the men go trooping back and forth across the road with each offer of a higher wage, to the end that thousands of them spent more time looking for higher wages than they did working. It was wage stabilization that ended all that (6).

In the same debate, Congressman Horan of Washington said, "There is no question but what this has worked Without it a great many of our crops would not have been harvested" (6). Congressman Tarver of Georgia said, ". . . Our subcommittee thought this was good work and needed work, and for that reason we went to unusual length to try to provide for it" (6). In fact, the value or benefit was not questioned by anyone in this debate. The only question was the extent to which the appropriation should be increased above that **proposed** in the appropriation bill (25,1946).

Workers attitudes on the stabilization program were less articulately expressed. Several reports were received by the Wage Stabilization Division in Washington in addition to those mentioned from Minnesota, however. One report indicated that of 150 workers interviewed in Texas, 149 favored the program and 1 opposed (3). This report also indicated that the program as administered aided both workers and farmers (3,14). Comments of workers in orchards in Oregon indicated that a majority of these who had formerly worked

in the area were pleased with the program and thought that they actually made more money because of the elimination of the need to change from employer to employer in an effort to get higher rates.

Representatives of peach harvest workers in Yuba, Butte, and Sutter Counties of California submitted a resolution to the Wage Stabilization Division urging continuation of the program and indicating that it aided both growers and workers. The events that occurred before this endorsement of the program are germane to this discussion. At the beginning of the 1946 harvest season, approximately 2,000 workers organized to call a strike in the area. Before the strike materialized, the workers were asked to name representatives to an advisory committee of growers and workers to aid the local wage stabilization officer in handling adjustments under the wage ceiling then being placed in operation in the area. The workers responded immediately and no more dissatisfaction was heard. 77/ After the season, the resolution endorsing the program was received.

On September 11, 1946, the business representative of the milkers union representing the dairy workers in the Los Angeles area stated in a meeting attended by the author and representatives of the Wage Stabilization Division, that the operation of the ceiling on dairy wage rates had brought benefits to the workers. 78/ This represented a considerable shift in thinking from 1944 and 1945 when this union actively opposed the program and tried to secure a shift in jurisdiction to the National War Labor Board, according to William H. Metzler in commenting on the operation of the ceiling on dairy workers' wages in the Los Angeles milkshed area in December 1944.

It is interesting that promulgation of first ceilings in certain areas brought protests from labor unions regarding the unfairness of the stabilization approach but that for subsequent ceilings and for subsequent years these protests diminished. For example, in 1943 the union representing the California asparagus workers protested the way in which the rates were determined, the membership of the wage board, and the whole idea. A similar reaction occurred in Florida when the citrus ceiling was first

77/ Based on verbal statements to the author by workers, growers and wage stabilization personnel at Yuba City, Calif., September 14, 1946.

78/ Bill Simpkin, Business Representative, Hay Haulers, Dairy Employees and Helpers Union (AF of L) Local 737 in meeting of producers, worker representatives, and Wage Stabilization Division representatives in Los Angeles, Calif., September 11, 1946.

issued (8,p.117). 79/ After gaining experience with the program, the unions in these States had representatives at the hearings to present their case. Although there was often disagreement as to what the exact rate should be, the active protests against the ceiling technique and the operation of the program practically ceased and both sides cooperatively accepted and complied to a reasonably satisfactory degree with the rates as finally promulgated (7,18). 80/

In Ohio, the ceiling on wages for vegetable greenhouse workers was developed through a collective-bargaining agreement between the workers' union and the operators (40,10:11645). In Oregon and Idaho, worker representatives in several instances started the effort to get the producers to request the establishment of ceilings. In 1946 the Idaho State Federation of Labor reported an article in its Yearbook which said: "Field participation in the program by employers and employees has demonstrated that it possesses merit and that wider participation in 1946 is a worthwhile goal . . ." (11).

The only continued labor-union criticism of the program was that directed at the ceilings on cotton harvest in Mississippi and Arkansas. In this case, the primary objection was also that ceiling rates were too low even though this was coupled with protests against alleged undemocratic practices followed in establishment of ceilings. Even though the prevailing rates that obtained in these States were below the ceilings, the ceilings on a dollars-and-cents basis were low. This, coupled with the fact that the protests came largely from union leaders outside of the ceiling area, may lead one to believe that the protests were directed more against the low wage-rate structure in these States than against the administration and operation of the program.

Although the comments and reports on worker attitudes received in Washington were extremely limited in number, it would seem that shifting attitudes of workers followed the same pattern in all States. In their initial contacts with the program, workers opposed the idea of any control or limitation on their right to obtain as high wage rates as they could. Later their attitudes shifted to more-or-less tacit consent, and later in several instances to vocal approval of the specific wage-ceiling approach. In the opinion of this author, the mere fact that

79/ Letters in Wage Stabilization files.

80/ Reports of State USDA wage boards and L. H. Kramer, Executive Officer, Florida USDA wage board, Letter to Arthur J. Holmaas, Wage Stabilization Division, December 27, 1946.

workers on many of the semi-industrialized type of farms could shift towards a reasonable attitude of working with employer representatives on wage-adjustment committees argues strongly for this program as a device for improving employer-employee relations in the agricultural field.

In contradiction of these statements on workers' attitudes, Hanger and Metzler reported that, ". . . workers opinions tended to be quite consistently unfavorable" (9,p.14). They did admit, however, that this conclusion was based on an inadequate number of interviews (9,p.14).

Conclusion

Quantitative measurement of the direct effects of the program is extremely difficult. No measure taken singly can be considered as supplying any conclusive answer. The indirect or salutary effects of the specific ceilings upon the farm-wage structure and the latent potential of the general ceiling defy measurement in any terms. But it is possible to define or delineate some of the effects when results of such measures as are available are supported by observations of individuals working with the program, by independent surveys of such agencies as the Bureau of Agricultural Economics, and by attitudes and opinions expressed by growers and workers. The extent to which this program was the predominating factor in obtaining these effects cannot, however, be determined. Certainly, the other phases of the total farm-labor program had effects in the same general direction and so did other forces outside the agricultural economy. It is certain, however, that the wage-stabilization program acted in the direction indicated in this publication and that the program was not incompatible with achievement of the benefits credited to it.

CHAPTER 7. WHAT THE PROGRAM COST

The agricultural wage-stabilization program was in effect from November 30, 1942, to November 9, 1946. Liquidation of the program was officially completed by December 31, 1946. The purpose of this chapter is to give some indication of the cost of the program in terms of monies expended from the public treasury, to show the distribution of these costs among objects of expenditure, and to make comparisons of costs between years during this period.

Comparisons of Total Costs

The total funds made available directly for agricultural wage stabilization aggregated \$1,308,600 (table 19). Of this amount, \$933,197 were spent (table 20). This represents the total dollar cost to the public treasury which can be identified and directly charged to program

administration. 81/

Table 19. - Source of Wage Stabilization Program funds, 1943-47

Year ending:	WFA or U.S.D.A.:	Agricultural	Deficiency	Total
June	allotment	Appropriation Act	Appropriation:	
	Dollars	Dollars	Dollars	Dollars
1943 <u>1/</u>	8,000			8,000
1944	144,000			144,000
1945		400,000		400,000
1946	<u>2/</u> 32,900	275,000	98,700	406,600
1947		350,000		350,000
Total	184,900	1,025,000	98,700	1,308,600

1/ Data not available. Administrative costs of one specific ceiling were reimbursed at estimated cost of \$8,000.

2/ For costs arising from Federal Employees Pay Act of 1945.

Data from Budget and Management Branch and Labor Branch, PMA, United States Department of Agriculture.

Of the estimated administrative cost of \$933,197, 69 percent was used for personal services; 16 percent for travel; 3 percent for communications; and 12 percent for other objects - rents, supplies, transportation, and contractual services. A large item under contractual services was the fees paid court reporters for taking shorthand notes and preparing complete transcripts of hearings on wage rates and alleged violations. A breakdown of the cost of the program by fiscal years and objects of expenditure is contained in table 20.

81/ No funds were provided during the period from November 1942 to April 1943. The work during this period, principally confined to development of over-all policy, was incidental to the other work of the Economic Stabilization Director, the Secretary of Agriculture, and the Office of the Solicitor. In fact, no charges against the funds appropriated directly for the agricultural wage stabilization program were made at any time for services performed by these offices.

Table 20. - Administrative costs by items, 1944-47

Item	Year ending June					
				1947		Total
	1944	1945	1946	Adminis-	Liquid-	
	<u>1/</u>	<u>1/</u>	<u>1/</u>	tration <u>2/</u>	ation <u>3/</u>	
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Personal services:						
Departmental	26,077	67,024	58,420	16,223	636	170,380
Field	7,519	133,205	213,191	102,405	10,960	473,280
Total	33,596	200,229	271,611	118,628	11,596	643,660
Other:						
Travel	7,434	56,473	71,196	18,885	175	154,163
Communications	1,214	8,526	13,567	2,857	62	26,226
All other	48,599	25,273	28,346	5,229	1,701	109,148
Total	57,247	90,272	113,109	26,971	1,938	289,537
Grand total	90,843	290,501	384,720	145,599	13,534	933,197

1/ Based on statements of obligations for fiscal years 1944, 1945, and 1946.

2/ Portion of estimated costs for first 6 months which would have obtained if the program had not been terminated. Based on expenditures through December 31, 1946, plus estimates of unpaid commitments that were not a result of program termination.

3/ Portion of estimated costs accruing for first 6 months but chargeable entirely to program termination. This includes such items as lump-sum payments for accrued annual leave of employees which cannot properly be charged to the operations during the 6 months of this fiscal year.

4/ Includes estimated \$6,000 under field personal services and \$2,000 under departmental personal services which were reimbursed to other agencies for personnel detailed to the program during fiscal year 1943.

Wage Stabilization Division, Labor Branch; Budget and Management Branch, and Fiscal Branch, FMA, United States Department of Agriculture.

A comparison of expenditures for personnel service shows that this item accounted for 81 percent of the total in 1947, compared with 71 percent in 1946, and 69 percent in 1945. The expenditures in 1944 are not comparable with those of other years because much of the work was handled through reimbursement to other agencies. This was reported as contractual services and so appears under "all other" rather than under personal services.

Direct comparisons between costs for 1947 and previous years cannot be made, unless 1947 costs are projected to a full 12-month period. Because of the extreme seasonality of the program, a marked peak in costs occurred in September and October of each year. During 1946, approximately two-thirds of the costs occurred during the first half of the fiscal year. Therefore, the figures for the first 6 months of 1947 cannot merely be doubled, but must be projected on the basis of this seasonality curve.

In the spring of 1946, an expenditure budget was planned for fiscal year 1947 with a seasonality pattern similar to that experienced in fiscal year 1946. Of the \$350,000 made available, 63 percent, or \$220,727, was budgeted for the first half of the fiscal year, and \$129,273 for the second half of 1947. Actually only \$145,599 was spent for program administration during the first half of the year. At this rate, a total of \$230,919 would have been spent during the entire fiscal year 1947 had the program continued uninterrupted during that period.

When costs are projected to the full year in this way, program activity may readily be projected by assuming that all ceiling orders "on the books" in the first half of the year would continue "on the books" during the second half. In this manner the effect of seasonality in 1947 is given a weight comparable to that in previous years.

Comparisons of Unit Costs

With the total cost figure of \$230,919 for 1947 and the total costs for previous years from table 20, it is possible to make comparisons between fiscal years in terms of unit costs. For this purpose the costs for three units - the ceiling order, the task rate, and the order month - have been selected from among those discussed in chapter 5.

These three units were chosen because each of them has certain distinct differences. The ceiling order is the broadest and most comprehensive unit into which the specific ceiling phase of the program can be broken. The task rate is probably the smallest unit to which the ceiling order can be reduced without considering seasonality or geographic scope. The order month corrects for the element of seasonality in the ceiling order. 82/

82/ Not any of the units are assumed to be completely or truly representative of the total program. The main purpose is to find some common denominator for comparing 1 year's costs with those of previous years. See chapter 5 for discussion of these measures.

When total costs are divided by the number of ceiling orders in effect, the average cost per order was slightly over \$2,500 in fiscal year 1947 (table 21). This may be compared with costs of approximately \$4,200 in 1946, \$5,700 in 1945 and \$5,350 in 1944. A generally similar trend in costs is found if either of the other two units are used.

Table 21. - Program costs by units of activity, 1944-47

Item	Unit	Year ending June			
		1944	1945	1946	1947 ^{1/}
Total estimated cost:	:Dollars	90,843	290,501	384,720	230,919
Ceiling orders:	:				
Administered	:Number	17	51	92	92
Cost per order	:Dollars	5,344	5,696	4,182	2,510
Percentage of preceding year	:Percent		107	73	60
Task rates:	:				
Administered	:Number	82	269	434	435
Cost per task rate	:Dollars	1,108	1,080	886	531
Percentage of preceding year	:Percent		97	82	60
Order months:	:				
Administered	:Number	94	251	453	449
Cost per order month	:Dollars	966	1,157	849	514
Percentage of preceding year	:Percent		120	73	61

^{1/} Projected costs on basis of operating costs for first 6 months; projected units on assumption of no change in scope or characteristics of specific ceilings.

Table 20 and Supplements to Specific Wage Ceiling Regulations.

The unit costs for fiscal year 1947 were approximately 60 percent of the unit costs for 1946, on the basis of any of the measures. Less comparability between measures is found when comparisons with the 1944-1945 average unit costs are made. This can be attributed in large part to a change in the scope and characteristics of the ceilings during this period. As previously noted, the earlier ceilings were single commodity orders primarily for harvest tasks. This affected both the number of task rates and the order months.

The fiscal years 1944 and 1945 may be considered the developmental years. All of the units were relatively small in number. Therefore variation in the scope or characteristics of one ceiling order greatly affected the relationships between the different units. The years 1946 and 1947 were fairly normal and are comparable from the viewpoint of ceiling-order content.

The decline in unit costs in fiscal year 1946 from the previous year is attributable to several factors. The higher costs in 1944 and 1945 were partly due to the initial cost of getting the program into operation. This required more travel and more persons had to be available for travel. After this developmental period, employees became more proficient as experience was gained. Therefore, additional ceiling orders within a local area could be handled in 1946 without adding more personnel. As ceilings were extended into more operations, program activity became more uniform throughout the crop season. This made it possible to utilize employees at near capacity over longer periods, thus saving the costs of hiring and separation.

The marked decline in unit costs during fiscal year 1947 may be largely attributed to shifts in administrative policy during the crop year 1946. To the extent that these changes occurred before July 1, 1946, they may also be considered affecting costs in fiscal year 1946.

During the crop year 1946 the States were urged to utilize and rely on local wage stabilization advisory committees in the initial stages of adjustment and compliance work. Steps were also taken to encourage greater reliance on field decisions. These included efforts to increase understanding of the program in the field and to improve the channels for reporting from and to the field. Changes in organization were made that clarified lines of authority and permitted more direct relationships between the Wage Stabilization Division and the personnel in the States. 83/

These changes in the States permitted reductions in Washington personnel. The extent to which this reduction was effected is revealed by comparing costs of departmental and field personnel services (table 22). Departmental personnel costs were only 16 percent of field costs in 1947 as compared with 50 percent in 1945. The net effect of reduction in Washington costs was lower unit costs for the operation of the program. 84/

83/ See discussion of these changes in chapter 8.

84/ The probable economies from these proposed changes in policies and organization were too uncertain at the time the budget for fiscal year 1947 was prepared to permit material reduction in the budget. This accounts in part for the fact that the amount budgeted far exceeded the amount used.

Table 22. - Cost of departmental services in Washington in relation to field personnel services, 1945-47

Service	Year ending June		
	1945	1946	1947
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Departmental	67,024	58,420	16,223
Field	133,205	213,191	102,405
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Departmental as percentage of field	50.3	27.4	15.8

Based on administrative cost figures shown in table 20.

Obviously, the period of program operation was too short to permit generalizations to be made regarding the accurateness of measurements of unit costs. However, the changes in costs between years are so marked, when reduced to a unit-cost basis, that certain conclusions can be drawn. First, the least returns in terms of program activity per dollar were received in fiscal years 1944 and 1945. Although the largest total costs occurred in 1946, the returns per dollar were greater than in the previous years. Finally, the greatest returns in terms of ceilings in effect per dollar expended were received in the fiscal year 1947.

CHAPTER 8. SOME PROGRAM AND ADMINISTRATIVE PROBLEMS

That hindsight is better than foresight is universally accepted. That evaluation of a program in negative terms is easier than evaluation in positive terms might stand as a corollary truism. This chapter points up certain problems in the program and its administration. If major space and emphasis is given to negative criticism it is because of the truisms cited.

In dealing with the problems encountered, the subject matter is divided into two parts. Attention is first given to what may be termed the program, that is, the fundamental problems of the farm-wage controls. Second, attention is given to the administration of the program. This discussion concerns itself with those practices which may be of interest and of value in the administration of any current or future program in this or related fields.

Problems of Basic Program Concepts

Although this part deals primarily with program questions, certain problems of program administration are included. These are limited to items necessary to throw light on the program concepts. Therefore they are principally administrative problems peculiar to programs dealing with farm-wage and labor conditions.

The Earnings Concept

Considerable space has been given to the interpretation, in the early stages of the program, of \$2,400 per annum as an annual earning. This interpretation was probably the most fallacious interpretation from the viewpoint of administrative feasibility, that occurred during the history of the program. As indicated earlier, it defied equitable administration. Neither the employer nor the Government knew whether wages or salaries paid were in contravention of the act except for cases of year-round employees working on an annual-salary basis.

No specific written explanation for the initial interpretation of \$2,400 per annum as an earning can be found, but analysis of the known circumstances surrounding the decision has made certain probable reasons apparent. 85/

If separated from other provisions of the regulations and taken literally the clause ". . . whose salary or wage payments are not in excess of \$2,400 per annum" could be interpreted as referring to an annual earning (40,7:10024). This is true even though little theoretical justification or rationalization for this interpretation or for control on the basis of earnings can be developed. It may, of course, be argued that the finding that ". . . the general level of salaries and wages for agricultural labor is substandard . . ." in itself provides a reason for an earning interpretation (40,7:10024).

This is based on the assumption that salaries or wages can be at a substandard level only in terms of their direct relationship to the cost of living and that a wage rate, therefore, cannot be described as substandard. This assumes that only an earning as the product, for example, of a rate multiplied by the time worked, can be compared with the cost of living, and rated as above or below par.

If the validity of this argument were for a moment granted, it cannot be said that any finding was promulgated that all wages below \$2,400 per year were substandard. Neither did the regulations state that salaries and wages would be up to a standard if increased to \$2,400 per annum (40,7:10024). Therefore, an earning of \$2,400 a year was not

85/ See chapter 3 for development of the rate concept.

necessarily the lowest annual income which could be considered as above standard. But this line of refutation need not be pursued further, as the validity of the basis for the interpretation can hardly be granted even for the sake of argument.

Earnings vary by wage rate, by individual, by commodity, by yield, by area, and by time worked. Of these variables, the wage rate is the only factor that is sufficiently constant to lend itself to immediate adjustment by the employer.

Control on the basis of rate permits control through attention to the income capacity of average wage earners. Such control is not incompatible with a finding that the general level of salaries and wages for agricultural labor was substandard. The term "general level" may mean the prevalent or average level. Therefore, it follows that the average wages or earnings were substandard. If this is true, the person working in average conditions in agriculture was working at rates which produced an annual wage that could purchase only a substandard level of living. The above-average worker or the worker placed in more favorable circumstances could presumably earn an adequate annual wage at least by additional effort. The average worker could also achieve this optimum by a change in any one of the variables in the equation for wages. A sufficient change in the wage rate would bring wages or earnings up to whatever level was established as par. Following this reasoning, a general level of wages can be described as substandard in terms of an average prevailing wage rate. 86/

86/ Although the discussion in this report has been in terms of an average rate, the same conclusion would obtain if it were determined that instead of the average worker, 75 percent or 90 percent of the workers should be paid at rates which would yield at least an earning determined to be standard.

Note: Further justification for the rate-control approach is found when the effects on production and individual initiative of the two alternative concepts are considered. (1) Control on the basis of annual earnings means equalization of the annual income of all workers on the basis of the productive capacity of the slow worker in short-season employment. For example, to hold the fast worker in long-season employment working on a piece-rate basis to the same income level as the worker not on piece-work basis, would force him to slow up or to remain idle for long periods. If not, he would have to be held to a lower rate. If carried to its ultimate conclusion, this means individual control of each wage earner's income in terms of the productivity of the least productive worker. It approaches a guaranteed annual income even though a worker contributes only a few days of poorly performed work. Such a system eliminates all incentive to initiative and actually tends toward decreased

Thus far one possible reason for the earnings interpretation has been advanced together with arguments to demonstrate that even though this may have been the real reason, the premise on which it must have been based does not bear close scrutiny. A second and probably more realistic reason for the earnings interpretation can be found when consideration is given to the effects at the time of the possible alternative interpretation.

The U. S. Department of Agriculture was given jurisdiction over agricultural labor, defined to include persons with wage payments not in excess of \$2,400 per year. If defined as a rate, no possible mathematical formula could be advanced to demonstrate that earnings of \$25 per day were at or below a rate of \$2,400 per annum. On a rate basis, therefore, these farm workers would by definition have been nonagricultural labor and would have come under the jurisdiction of the War Labor Board (40,7:10024). Agricultural employers generally would probably have opposed an interpretation that would, in effect, have classified these farm workers as industrial. But when consideration was given to the short-term employment in the tasks which grossed these daily earnings, this problem did not become so evident when the approach was on an annual-earnings basis. The suggestion that the decision to operate on an earnings basis was an outgrowth of this dilemma is supported by the obvious attempt to shift to an interpretation of \$2,400 per annum as a rate after the definition of agricultural labor was revised and the War Food Administrator was extended jurisdiction over salaries and wage payments at rates up to \$5,000 per annum (40,8:16702).

Regardless of the reason for the initial interpretation and the later change, the initial concept had negative effects upon the program throughout its existence. Even after attempts were made to change it, this concept continued in the minds of most employers and in the minds of many wage board members and field employees. No excuse is

86/ Continued

productivity. This is not compatible with a program designed to combat inflation. (2) Control on a rate basis lends itself to control in terms of average productivity and average incomes as of a given time. The annual earnings of many workers will still be below average. Many will earn more -- whether employed on a piece-rate or time basis shorter than a year. The incentive factor remains. The worker willing or able to double his output or time can double his income. This is not inflationary. If the amount of work to be done remains constant, the total wage payment to all workers does not change -- only its distribution. If the season -- a greater total wage payment may also result. This is not inflationary in itself, as the total wage bill increases only in direct proportion to production of goods. Even though control of rates automatically controls earnings, it does so without destroying individual initiative and productivity. It therefore makes possible equal pay for equal work.

found for the lack of positive action by the Wage Stabilization Division to secure complete clarification of the rate concept in the regulations and to give widespread publicity to the correction of this fallacy.

The Equivalent Rates

In addition to what has been said, there is little need to point up the weaknesses in the application of the "equivalent rates" concept. More space is required to illustrate what is needed to make possible the promulgating of wage rates that will assure a proper balance in the labor market.

When \$2,400 per annum was finally recognized as a rate, it provided a possibility for determining whether John Doe, who was paying \$8 per day or 5 cents per pound for having his cherries picked, was paying at rates in contravention of the Stabilization Act. However, possible and actual determination of equitable equivalents it was discovered were two different problems. Effective administration of a wage program or any program demands clear-cut definitions. To attempt to operate without such definitions of equivalent rates left the program wide open to evasion by employers. Similarly, no uniformity in application and interpretation by the wage board employees was assured.

The regulations did provide that a wage rate must be the equivalent of \$200 per month. This was fairly easy to apply. Later, an 85-cents-per-hour equivalent was promulgated for five States. This was as far as formal determinations were made. ^{87/} For all other rates the burden was on the employer to decide whether his rates were equal to or above the equivalents, and upon the wage board or the Wage Stabilization Division, after the application was received, to determine what rates had to be or could be approved on the basis of the general standards in the regulations.

The sum of \$200 per month was arrived at simply by dividing \$2,400 by 12. This was probably fair enough. Eighty-five cents per hour, where used, was obtained by multiplying 26 days per month by 9 hours per day and dividing this into \$200 per month. This equals \$0.3547 per hour. Because time payments in agriculture generally vary by 5-cent increments, it was rounded off to 85 cents per hour. The resulting loss of more than 4 cents per day, or \$13.20 per year, as compared with the worker on a \$2,400 annual salary is not so important as the fallacy in arriving at equivalent rates in this manner. We might assume, for the sake of argument, that hourly workers in agriculture average 9 hours a day, 26 days a month, 12 months a year. Even with this assumption, arriving at an hourly equivalent in the way described is not realistic, nor fair to the hourly worker. It ignores the element of risk.

^{87/} See discussion in chapter 3.

The worker on an annual wage is assured of his income. The month worker, particularly in the northern States, is not. He may be forced to be idle 2 or 3 months a year because of the seasons. The hourly worker's risk is still greater. He may miss an hour in the morning because of a heavy dew, a day because of rain, a couple of hours because a machine breaks down. This risk is with him constantly. Therefore, to be truly equivalent, the hourly rate must be greater than the true mathematical equivalent.

In addition, the basic assumption for the mathematical equivalent in the case of 85 cents per hour was erroneous. No hourly worker in any type of agriculture averages 9 by 26 by 12, or 2,808 hours per year, with possibly a very rare exception on some large farms where year-round workers are paid on an hourly basis.

Realistically, the average days worked per month for hired hourly workers approximate 20 rather than 26. Similarly, although hourly workers may work as high as 10 or 12 hours a day during peak seasons, the average for the year would fall far below this figure.

Without pressing the point further, it may be said that even though 85 cents an hour was not a true equivalent, it was a practical answer to a practical problem. Without some definite equivalent, administration of maximum hourly rates under the general ceiling would have been impossible. In fairness to the wage boards in the five States, it should be pointed out that to have promulgated a higher equivalent hourly rate at the time would have brought repercussions that could have scuttled the entire program.

Specific piece-rate equivalents were never promulgated. The general rule was that an equivalent piece-work rate was a rate that would permit an average worker, working at a customary rate of speed for hourly work, to earn the hourly equivalent (85 cents in those States in which this had been determined). This rule appears to be reasonably fair, but obviously it was difficult to apply. Seldom is the identical kind of work that is done on a piece-rate basis done on an hourly basis. Moreover, leaving determination to each case was bound to bring discrepancies in rates for the same work in the same area. It is generally granted that an equivalent piece-rate, in order to allow for the incentive payment factor, should result in greater hourly earnings than that possible on an hourly time basis. Without any statistical support for the statement, the most common opinion among executive officers of the wage boards was that the piece-rate should permit hourly earnings that would be 10 to 20 percent above the hourly rate. This, the above rule appears to recognize. 88/

88/ Alden E. Orr, Executive Officer, Oregon USDA wage board, in a letter to Arthur J. Holmaas, Chief, Wage Stabilization Division, October 22, 1946. See also chapter 3 of this report.

It may appear from this discussion that earning and rate concepts are again being confused. At some point on a time basis, the two must be synonymous. In practice, the smallest time division used in connection with rates for wage payments in agriculture is the hour. Payments for less time are ordinarily in terms of half-hours and quarter-hours, and not in terms of minutes and seconds. For practical purposes, therefore, rates and earnings stated on an hourly basis can be considered as synonymous (47).

Equivalent rates have been discussed thus far only in terms of their relation to \$2,400 per annum, for purposes of determining when approval was required. Equally important was the relation between piece-work rates for different crops and operations, both for determining whether the rates could be approved and for determining what rates would bring about a fair distribution of labor and stability in the labor market.

Is 5 cents for picking a 60-pound sack of potatoes equitable in comparison with 20 cents for hand topping and sacking 100 pounds of onions? How do these rates compare with \$1.70 per ton for topping and loading sugar beets from a field yielding 13 tons per acre, or \$1.55 per ton from fields yielding 20 tons per acre? These were the practical questions with which wage boards were faced in approving individual applications and in formulating specific ceiling rates.

Generally, best-informed opinions and historical relationships were the only bases upon which decision could be made. The available specific statistical information was inadequate. Work in the field by the Bureau of Agricultural Economics and several colleges generally consisted of averages for too-broad areas or for too-limited periods to be of much value in specifically defined localities. At best, these data could provide only rough approximations (22,1).^{89/}

Of course, trial and error could and did correct for the most inequitable relationships. If a competing rate was too far out of line, the shift of the labor supply soon brought this to light but it was not conducive either to stabilizing the labor market or to preventing wage-rate spiraling. The high rate could not be rolled back. The low rate had to be increased; if increased too much, it reversed the shift of workers; if increased too little or too late, crop losses might result.

^{89/} For additional bibliography on worker productivity and labor requirements see Hawthorne, H. W. and Marx, Robert (10).

Many factors other than equivalent earnings affect the proper relationship between rates. For example, natural working conditions, such as tree picking versus picking from the ground, and working customs such as picking in bushel baskets versus half-bushel baskets, have their effect on whether a worker will choose one crop over another.

Collecting data and information to answer these questions is difficult at best. To get it with the limited means and personnel at the disposal of the wage boards was a heavy task, but some work was done toward it, notably in Florida and Idaho.

Florida had the problem of developing equitable relationships between piece-rates for picking early and midseason oranges, seedling oranges, valencia oranges, grapefruit, and tangerines. In an effort to ascertain the fairness of the relationships between various rates, extensive studies of actual pay-rolls for citrus picking were carried out during the 1945-46 and early part of the 1946-47 seasons. Earnings per man-day rather than earnings per hour were chosen as a basis for comparison. The results are briefly summarized in table 23.

Table 23. - Number of days and average earnings per man-day for citrus picking, Florida, 1945 and 1946

Variety	Season			
	1945		1946	
	Man-days	Earnings per man-day	Man-days	Earnings per man-day
	Number	Dollars	Number	Dollars
Oranges:				
Early and midseason	3,936	8.09	5,199	9.40
Seedling	1,080	9.98	-	-
Valencia	2,523	9.97	-	-
Grapefruit	2,062	7.23	1,789	7.00
Tangerines	1,607	8.70	257	9.35
Weighted average	---	8.62	---	8.81

Data from Florida-USDA wage board, Four Years of Florida Citrus Wage Stabilization Under Specific Wage Regulation No. 21, a report prepared under the direction of L. H. Kramer, Chairman, Lake Wales, Fla., Nov. 9, 1946, 34pp. [typed].

In 1945, ceiling rates were 25 cents per standard field box for early, midseason, and seedling oranges, 15 cents for Valencias, 8 cents for grapefruit, and 30 cents for tangerines (40,9:9042). For 1946, the rate for grapefruit was increased to 9 cents in an effort to bring earnings in line with those for other varieties (40,11:8860).

Obviously, other factors than rate influenced earnings in the 1946 season as evidenced by the increase from \$8.09 to \$9.40 per day for early and midseason oranges at the same rate of 25 cents per box. It may have been better workers; it may have been better and more uniform yield. However, the important issue at the moment is not a comparison of the 1946 with the 1945 season, but of the earnings for the various varieties in 1946. Grapefruit earnings dropped not only in relation to 1945, but in relation to the other varieties in 1946. The opposite of the desired result occurred.

Termination of the program on November 9, 1946, prevented getting more conclusive figures for 1946 (40,11:13435). If the study could have been continued to the end of the season in May 1947, the relationships might have changed materially. The study does serve to illustrate the difficulty of arriving at truly equivalent piece-rates.

Idaho is annually faced with the problem of relationships between rates for potato picking and for beet topping and loading. During 1946, attempt was made to collect statistical data for comparison. In the normal course of meeting farmers relative to administration of the program, wage-stabilization assistants asked questions to learn farmers' opinions of the average accomplishments of workers in sugar beets and potatoes in fields of varying yields, and the average hours worked per day, and average days per month. These answers were noted on check-lists after the discussions were over.

Summarizations from these check lists give the following items:

Picking potatoes: - 185 reports; average of 82 sacks of 120 pounds picked per day; average yield of 177 sacks per acre; average days worked, 20.39 per month; average hours, 8.1 per day. From this it can be calculated that 10.12 sacks were picked per hour which, at ceiling rates, would equal earnings of \$1.12 per hour or \$9.07 per average day for the days worked.

Topping and Loading Sugar Beets: - 155 reports; average of 5.79 tons per day; average days worked, 21.27 per month; average hours, 8.47 per day. This can be reduced to 0.684 tons per hour, or \$1.08 per hour and \$9.15 per average day for the days worked (36,pp.26-27). 90/

90/ Also United States Department of Agriculture, Worker Productivity in the Harvesting of Sugar Beets and Potatoes in Southern Idaho and Malheur County, Oregon-October and November, 1946. A report prepared by Wayne A. Lee, Wage Rate Analyst, Wage Stabilization Division, Washington, November 1946 [unpublished].

Although obviously based on a weak statistical sample, these figures illustrate the type of data that is needed. An equitable balance among the various rates can be obtained only as better data of this type are collected.

The Commodity Approach

Although custom, legal requirements, and producer interests, all tended toward a commodity approach, it was gradually recognized that this did not provide the best answer. Specific ceilings were like islands in the sea. Sometimes they merely capped rates that were already out of line with all other farm operations in the area. At other times, rates for other operations spiraled beyond them, drained off the workers, and threatened to engulf them. 91/

In time, it was realized that to be effective and fair, controls should be applied to all farm-wage rates in an area. By that time, the legislative requirement for majority approval of producers of the affected commodity was a real obstacle to issuance of comprehensive specific ceilings. Efforts to fill these gaps with more stringent administration of the general ceiling met with varying success. Usually these efforts were conceded to be inadequate.

Promulgation of broader ceilings was secured in the States of the Pacific Northwest, particularly in Oregon. For example, the ceiling in the Klamath Falls area applied to operations in potatoes, onions, wheat, barley, and other grains, and to general farm operations (40,9:11056). The ceiling rates promulgated included rates for planting, cultivation, and year-round work, as well as for harvest operations. In order to issue such a ceiling, it was necessary to get certification that a majority of the potato growers, a majority of the onion growers, etc., in the area or, after July 1, 1945, participating in a meeting or referendum held for that purpose, had requested issuance of a specific ceiling.

In many cases, the commodity approach made it impossible to cover all farm operations in an area. For example, in Curry and Coos Counties of Oregon, all commodities were represented except cranberries (40,11:6484,6536). Therefore, the specific ceilings, when promulgated, had to omit this crop which is extremely important in this locality. Therefore, if the cranberry growers competed with the growers of the controlled commodities for labor, they had an unfair advantage. Even though the rates for cranberry work were presumably controlled by the general ceiling, it was an open secret that the same effective compliance as under the specific ceilings could not be had.

91/ Orr, Letter to Holmaas, October 22, 1946.

The commodity approach may be termed one of the greatest weaknesses in the basic program, from the standpoint of preventing establishment of an equitable balance among the farm-wage rates in an area.

Specific Ceiling Adjustments

Establishment of fair basic ceiling rates is the first order of business in obtaining a balance among farm-wage rates in an area. No matter how well balanced, these rates must be geared to average crop conditions or working conditions in the area. They must also be related to the average productivity of the average worker employed in these crops.

If rigidly applied, rates based on the average of so many factors obviously cannot be fair to everyone. The below-average worker on a piece-rate basis cannot hope to achieve earnings equal to those of the average or above-average worker. Little can be done to correct this situation. However, as important in their effects on earnings are the physical factors that cause what may be termed subnormal crop or working conditions. These reduce below the general average the earnings of both the average and the above-average worker. Such differences as variations in crop yields, differences in working conditions, and remoteness from labor supply, justify wage-rate differentials. If a producer is to harvest low-yielding crops on a piece-rate basis at the same time that better crops are being harvested, he must expect to pay higher rates. If located in a remote valley, he can expect to pay a premium to compensate for the extra time and money the worker has to spend to reach his place. 92/

The most important single factor contributing to the success of the wartime farm-wage stabilization program was the fair and rapid handling of individual adjustments in specific ceiling rates. Handling variations from the base ceiling rates in such a way as not to disrupt the labor market was actually more important than setting a precisely exact or optimum base rate. The procedure for handling these adjustments through local Wage Stabilization Advisory Committees and local fieldmen was discussed in an earlier chapter.

Prewar attempts to stabilize wages voluntarily, through gentlemen's agreements, provided no mechanism for handling justifiable variations from the average or prevailing rates (37,1945:5;13,pp.16-18). 93/ When

92/ Shields, Letter to Bowles, May 7, 1946 and Wage Stabilization Division Memorandum 5-46.

93/ Also letters and memoranda in Wage Stabilization Division files.

a farmer independently raised his rates to correct for factors creating hardships, the wage war was on. Neither workers nor employers took time to inquire as to the reason for the variation. The result was a whole-sale shift of workers to the man who paid a cent more. Actually, the workers often found their earnings were less, even though the rates were higher. Often by the time some of them drifted back to their former employers, highly perishable crops had suffered untold damage. The net result was loss to workers and growers.

When adjustments based on variations in conditions were granted under the ceiling program, the reasons for variations and the procedure for adjustments were publicized. When farmers and workers understood the reasons for the adjustments, there was no reason for upset. There was no stampede of workers to take advantage of the higher rates. It tended to bring a better distribution of labor supply. It tended toward equal pay for equal work in terms of real earnings rather than in terms of wage rates. Experience demonstrated that the flexibility afforded through this procedure brought a condition of equity into the program which was decidedly conducive to better employer-employee understanding.

The sound basic adjustment feature could have been handled more effectively in many cases. Two important items which should have been improved, and which were gradually improved under experience, may be mentioned.

(1) More specific standards or criteria for granting adjustments should have been worked out for each ceiling and area. The regulations carried general criteria such as low yield and remoteness from labor supply (40,10:3180). What did "low yield" mean when applied to apples in the Wenatchee Valley of Washington? What were "tall trees" in the cherry orchards of Idaho? The criteria in the regulations were too general for the specific case. When these standards were interpreted in terms of local conditions, however, and were publicized, the reasons for granting adjustments became clear to everyone. "Tall trees" meant trees requiring 20-foot ladders or 30-foot ladders or some specific length of ladder. As standards became more specific, approvals were granted more objectively and there was less dissatisfaction.

(2) Records of actions on adjustment applications were not always obtained or kept properly. Such records were important as a guide to handling later applications. Still more important was their value in dealing with rumors. In many cases, after an adjustment was granted, a rumor to the effect that the individual was paying violation rates would be started. The best counter-offensive was immediate publicity of the fact that an adjustment had been approved in a specific amount for a specific reason (37,1946:7;1945:4).

Periodic Reconsideration of Specific Ceilings

Probably one of the most serious criticisms of the program can be leveled at the lack of provision for routine periodic reconsideration of specific ceilings. This is particularly true for ceilings containing piece-work rates. Rates once established tended to remain in effect unless growers requested a change. In a few cases, basic rates were reconsidered on petition from workers, but these instances were rare.

With varying crop conditions, piece-work rates, carried over from one season to another, could easily result in hardships and inequities. Changing economic conditions, both within the specific area or throughout the economy generally, also demanded consideration. Yet the regulations or instructions contained no provision for reconsideration except upon petition from an interested party, until administrative instructions were issued in August 1946, requiring annual reconsideration by the wage boards. 94/

Annual reconsideration had an additional value. If reconsideration was accompanied by meetings or hearings, it served to refresh or reawaken interest among growers and workers. This led to better understanding and better compliance.

Periodic or annual reconsideration did not mean that the specified maximum rates had to be changed; change might be in area, commodities, or operations covered, or it might be found that no change was necessary. The Wage Stabilization Division had no preconceived notion that every ceiling should be changed periodically. It was only concerned with assuring that each ceiling was periodically reviewed so that it would not become out of date or a "dead" regulation on the books.

Local Flavor of Specific Ceilings

The grass-roots approach to establishing and administering the specific ceilings was second only to the flexibility furnished by the adjustment procedure, in contributing to the program's success.

No specific ceiling was promulgated without local hearings and educational meetings. No specific ceiling was promulgated unless there was a widespread recognition of need in the area. No apology was necessary for the fact that the "need for a ceiling" was sometimes "sold" to the local citizenry. Obviously, each area that had a wage problem could not be expected to generate spontaneously a request for a specific ceiling program if its citizens had never heard of such a program.

94/ See chapter 2.

The Government's job was to locate the trouble-spots, hold meetings, and offer a remedy. After the remedy was offered, it was the place of the local producers to decide whether they wanted to utilize this technique or to handle their requests for wage adjustments individually under the general ceiling.

Utilization of local Wage Stabilization Advisory Committees for administration of the ceilings after they were promulgated added further local flavor to the program. Where local committees had representatives of large and small growers, and of workers, there was better understanding. Endless credit is due these local committees for making the program work. Of course, "the wrong persons" sometimes got on the committees and not all committees functioned equally well; but generally, they knew local conditions and problems, tried to be objective and fair, and did a good job. 95/

Problems of Washington and Field Organization and Relationship

Success or failure of any program may often be attributed directly to the smoothness of the relationship between headquarters and the field. The smoothness of these relations depends upon such factors as unanimity of purpose, general understanding of program operation, delegations of authority commensurate with responsibility, and clearly defined and rapid channels of communication.

In order to make as much headway as possible toward an objective, all persons concerned with the administration of a program must be fully aware of that objective. Wage-stabilization objectives were not static. As the stated objectives or the emphasis on the objectives changed, changes in operation and emphasis of the program was necessary. Some of these stemmed from over-all changes in the Administration's wage-price policy. Others resulted from field experience and responses of farmers and workers to the operations of the program. Many of the changes were reflected in changes in regulations; others could be incorporated into the program without regulation changes. It was extremely important that all personnel be fully informed of all changes in objectives, policies, and procedures. It was equally important that all personnel fully understood the changes.

Evaluation of Administrative Tools, Techniques, and Controls

Discussions with personnel in the field and in Washington and a check of correspondence and records has revealed that understanding of purpose, policies, and procedures was far from uniform. During the summer

95/ See chapters 2 and 4.

of 1946, an effort was made to learn the reasons for these differences. Realizing that different individuals react differently to the same stimuli, this effort was centered primarily on learning whether all personnel had been exposed to the same stimuli and what general form of stimuli had been used. 96/

The study disclosed that not all key personnel, executive officers and wage board members, had copies of the basic regulations and principal revisions thereof. In nearly every case all full-time paid personnel in a State had copies of the supplements applicable to that State. Temporary employees, that is, fieldmen on 60-day appointments, had usually received only the particular supplement for which they were directly responsible. Many wage board members had not received all supplements applicable within their States. In only a few cases, did key personnel in a State have all supplements applicable to adjoining States.

This was true also of multiple-address administrative instructions and of general policy and procedure statements. It became evident that many minor changes in policy and procedure had never been reduced to writing. If they had, they were contained in letters addressed to specific individuals in specific States. In the latter case, copies were seldom routed to all States. In the former case, the changes had been approved by telephone or through direct conversation with the individual concerned.

The analysis also revealed that the initial training opportunities afforded key personnel varied considerably. In some States, representatives of the Wage Stabilization Division had spent weeks working with the executive officers and the wage board members in getting the program under way. In other States, programs were set in motion virtually by telephone and letter instructions with, at the most, a few hours at an initial meeting of such wage board members as could be present.

Follow-up instructions and in-service training were equally sporadic. Several of the boards, organized in this hurried manner, were not again visited by Division representatives. With probably one exception, these were in States for which no specific ceilings were promulgated at the time the board was organized.

96/ This was an informal study by the Chief of the Wage Stabilization Division, carried out simultaneously with the handling of his regular work in Washington and the field. Its purpose was to devise means to improve administration of the program. The study was based entirely on analysis of correspondence and records in the Wage Stabilization Division and discussions with various Wage Board members, Executive Officers, and field employees. It was not reduced to a written report.

In lesser degree, the same lack of planned in-service training was noted with regard to executive officers. Practically continuous follow-up and supervision was provided in the Pacific Coast States but this was not true in other areas. Very little opportunity was provided for personal interchange of experience and mutual discussion of problems between executive officers.

Another weakness was the lack of a systematized reporting service relative to program activity. This was equally true in either direction. No systematic periodic activity reports were required from the field, except on an annual basis. Annual reports have value in long-range program and budgetary planning but they are of little value in supervision or control of current operations. Similarly, no systematic reports of activity or developments in Washington were furnished to the field; this phase was probably the weaker of the two. The executive officers in the States of greatest activity at least kept Washington informed of the most significant activities by means of letters.

The fact that there was lack of uniformity in understanding of purpose, policies, and procedures, is readily understood in light of these findings. From this lack of understanding, it logically follows that the approach, emphasis, and results, varied considerably by States. Therefore evaluation of the program on the basis of experience in any one State would be fallacious.

It should be reemphasized that the end results, as outlined in chapter 6, indicate a reasonable degree of success in attainment of objectives in spite of these weaknesses in administrative supervision and control. It should also be emphasized that with a continent-wide country to cover with a new type of program and with a small staff, it could hardly be expected that any great refinement in techniques for personnel training, supervision, and control, could be developed during the hectic days of a war. This is particularly obvious when the fact is considered that many of the personnel had previous training primarily in such pursuits as research, economics, sociology, and practical farming. They had had little opportunity through either former training or employment to gain experience in administration. Credit for the degree of success attained must be attributed largely to the fact that in nearly every instance men with great native ability and initiative had been employed as executive officers and fieldmen. This, coupled with their comparative freedom in operations, brought forth considerable original thinking and planning, which itself was conducive to effective program operation.

It is believed, however, that an equally good or better job could have been done with less lost motion and effort, if more direct and better developed techniques had been developed for training, supervision, and control. Specifically, these should have included:

1. A systematic program for comprehensive initial training of executive officers and wage board members.
2. Well-developed suggestions, accompanied by actual materials, for use by executive officers in training fieldmen.
3. A program of planned follow-up conferences with wage boards in all States.
4. A program of planned regional conferences of executive officers, probably on an annual basis, to give opportunity for inter-changing experiences and ideas and for planning together the program for the ensuing year.
5. A vehicle for systematically conveying instructions on policy and procedures to the field and for keeping these instructions current.
6. A requirement for regular reporting of agreed-upon information on activities from the field to Washington, and vice versa. Information to the field should have included the reasons for changes in policy and procedures, consolidated activity data for all States, program trends, and descriptions of best practices developed in the States.

With the leveling-off of activity in 1946, some steps in the direction of the last three of these suggestions were taken. A 2-day conference of executive officers was held at Boise, Idaho, in June 1946 (46). During this conference, the program of activity for the year was planned, mutual problems were discussed, revisions in procedures and forms were agreed upon, a basis for administrative instructions was developed, and several policy changes were explained and new problems brought to light.

As a result, uniformity of approach increased considerably during the remainder of the year. Morale improved. Personnel in each State had a feeling of comradeship with their coworkers in other States. A system of memoranda containing policy interpretations and procedure instructions was inaugurated. ^{97/} A partial system of reporting on field activity was installed. ^{98/}

^{97/} See footnote 10, page 11. Memorandum Series.

^{98/} See footnote 10, page 11. Memo. 9-46.

In general, mutual understanding of both Washington and field problems was developed and better relationships resulted.

Problems of Policy Formulation in Washington

The problems involved in relationships between headquarters and the field also obtained in varying degree within and between organizational levels in the Washington organization. In fact, apparently most of the problems had their roots in Washington.

Wage control was new to the Department of Agriculture. Except for determinations of minimum wages for sugar-beet and sugar-cane workers, the Department had had no experience with positive wage programs before the war. ^{99/} Initially, therefore, a wait-and-watch policy was initiated. Action was not taken until problems were specifically pointed up or until reactions to controls in limited areas had been learned.

Available knowledge with regard to the dynamics of the farm labor market and data on the relationships between worker productivity, hours of work, earnings and wage rates, in various operations and crops, was inadequate. From the inception of the program the Wage Stabilization Division should have made positive provision for building up detailed factual records of the required data. This would have hastened solution to this problem. These records should have included basic wage-rate and productivity data and specific data on program activity. The records should have been organized in such a way that data with regard to specific program operations and crops in specific localities would have been consolidated in one place, and made readily available for use.

Had such records been available in the beginning they would have given the wage analyst in the Wage Stabilization Division a framework of fact on the basis of which he could have evaluated rapidly recommendations for specific ceilings or other matters referred by the State Boards for decision and action. Second, such records would have served as the basis for periodic reports up the line, to inform superiors of the status of the program.

The primary purpose of such reports, from the viewpoint of the immediate program supervisor, would be to get his superiors well schooled in the achievements, effectiveness, broad procedures, problems, and development of the program. When adequately informed, the top admin-

^{99/} The Sugar Act of 1937 (39,50:909), as amended, provides that producers of sugar beets and sugar cane who wish to qualify for Government subsidy payments must, among other conditions, pay wages at rates not less than those determined by the Secretary of Agriculture to be fair and reasonable.

istrator can render positive and timely decisions on policy. It is the responsibility of the subordinate to take the initiative in keeping his superiors adequately informed at all times. If this is not done a particular program will be brought to the attention of the higher officials only when a major internal problem occurs, or when criticism is registered or when a request for a particular course of action is received from an external pressure group. Doubt of either the practicability of the present program or of the ability of the person in charge, or of both, is thus created in the minds of the higher officials. Hesitancy in decision or positive decision based entirely on the external information or pressure are natural results. Therefore, the subordinate has a real responsibility in providing meaningful reports to his superiors.

As the field staff was weak in reporting to the Wage Stabilization Division so also was the Division weak in reporting up the line. The State wage boards deplored the lack of positive policies and rapid determinations from Washington. The Division deplored the lack of rapid policy decisions from its superiors. In most cases these problems can be traced to certain shortcomings in each link of the chain of command.

The wage-stabilization program was considered an emergency measure of course. As such, the entire attitude toward it was different from that toward programs designed to operate on a long-range basis to meet continuing problems. Fluctuations in the course of the war and in the general state of the economy were immediately felt. Every 5 or 6 months serious questions arose as to whether the program would be continued. This was particularly true after the termination of war in Europe. Logically, this had deterring effects on decisions as to policy. It appeared to be better to postpone action until it was learned positively whether termination of the entire program was imminent.

As revealed by the lack of clearly defined, rapid, and effective channels of communications, other weak links were undoubtedly due in part to problems of organization and of delegation of authority, both in Washington and in the States.

Problems of Organization and Authority in Washington

Organizationally the Wage Stabilization Division was near the bottom. This in itself was not bad. When the relative size of the program, in personnel employed or money expended, is considered, the organizational location was proper. But the organizational status of the Division created a different problem.

The principal responsibilities of the Office of Labor were concerned with the farm labor-supply program. This type of action

program was also new to the Department of Agriculture. 100/ It was much larger than the wage program, in terms of money and personnel. The labor-supply work in the Office of Labor was divided among several branches each consisting of several divisions. The Program Planning Branch was the principal staff unit within the Office of Labor.

The chief of this branch was given responsibility for developing plans for the wage-stabilization program. The Wage Stabilization Division was set up as a technical staff to serve the chief of the branch in formulating program plans. The initial personnel of the Division were recruited primarily for that function. The chief of this branch was also delegated the responsibility for administrative direction of the program. A field organization was set up entirely separate from that operating the labor-supply program. The Wage Stabilization Division was technically a staff office, without operating responsibility. However, since the chief of the Program Planning Branch was responsible for the operation of the wage-stabilization program the Division had to take over and handle operating functions.

Wage stabilization was a fast-moving program. Crops do not wait for administrative decisions. At the height of the operating season, letters and even telegrams were often too slow. Answers had to be given by telephone. As far as the public was concerned, these decisions and answers committed the War Food Administrator or the Secretary of Agriculture and the Director of Labor.

A wrong decision, possibly resulting in crop losses, work stoppages, or loud employer or worker protests, might well have upset the entire program.

The Wage Stabilization Division, as a small technical staff unit outside of the direct chain of command, found itself faced with day-to-day operating problems and decisions with regard to a problem program. It is not strange that time and attention could not be devoted to the careful and detailed planning necessary to develop answers to many of the problems discussed previously in this chapter.

As the program grew and the Division gradually became an operating division, its organizational status became increasingly illogical. As a small operating division within a large planning staff, it found itself more and more out of place. Being only a fractional part of the total program of the Office of Labor and being related to an entirely

100/ Authority for recruitment and placement of farm labor by the Department was first received by a transfer of responsibility from the U. S. Employment Service by the War Manpower Commission, Directive No. 17; January 23, 1943 (40,8:1426).

different type of program, it was natural that wage stabilization should receive a minimum of positive attention and direction. This fact, plus the fact that an operating job was being attempted by a staff unit outside of the direct chain of command, tended to impede initiative and constructive development of administrative and operating techniques by the Division.

Each link in the chain of command should be delegated authority to make any decisions that are immediately necessary to effective functioning of a program. In a dynamic program, taking the time to clear each question of operating policy with the ultimate authority is impossible. If authority commensurate with responsibilities is not delegated, the person directly in charge of an operating program or phase of a program must assume the necessary authority. If not, the operations will drag for lack of rapid and positive decisions. For those decisions which cannot properly be made at any one level, rapid channels of communication with the next level must be made available. Each level in turn must be in position to clear rapidly up the line on major policy and operating questions as necessary.

Neither clear-cut delineation of responsibility nor clear-cut lines of authority were present in the early stages of the Wage Stabilization Program. As indicated in the chapters dealing with the development of wage stabilization, under emergency conditions the program just grew. As water seeks new channels and ultimately reaches the sea, even though the route is devious and long, so also did the problems of wage stabilization finally reach the levels where decisions could be made. But it was not until April 1946, that the Wage Stabilization Division was officially given the status of an operating Division and was granted authority commensurate with its responsibilities and duties. 101/

Brief mention should be made of two other organizational problems. During the crop year 1945, the Division operated for a period as a two-headed organization. The Division had two assistant chiefs during this period; one was responsible for the Western half and one for the Eastern half of the country. After the Division Chief resigned in February 1945, the Division operated for the remainder of the year basically as a two-headed set-up. Attempts were made during this period to install administrative techniques and tools similar to those mentioned herein. Often, decisions based on agreements between the two assistant chiefs--one located in Berkeley, Calif. and one in Washington, D. C.--could not be had until it was too late to gain the desired effect. Either man alone could undoubtedly have performed a completely acceptable job. The problems that arose were those inherent in any organization that is under the control of two masters and the situation was aggravated by the physical

distance between the two seats of authority. It was fundamentally a problem of basic organization and lack of clear-cut delegations and lines of authority.

Problems of Organization and Responsibilities in the States

A somewhat similar situation existed with regard to the responsibility of the executive officer and the wage boards. By regulation certain responsibilities were delegated to the wage boards. Later, by administrative instructions, the boards were given administrative and operating responsibilities. However, neither the Wage Stabilization Division nor the Director of Labor had any real control over the boards. True, the Director could remove specific members from the boards but this was hardly a satisfactory solution. In the first place, specific responsibility could not be pinned down to any one board member, as the board and not the members had the responsibility. Second, many board members would have been satisfied had they been divested of any duties under the program. Their services were on a voluntary basis and were performed primarily as a civic and patriotic duty. Therefore, the relationships between Washington and the boards had to be on a level of mutual negotiations rather than in the nature of direct lines of authority.

With the executive officer, the relations were different. He was appointed by the Labor Branch and was a full-time Federal employee. The Wage Stabilization Division held the Executive Officer directly responsible for carrying out Federal policy within his State. But at the same time, this employee was the executive officer of the State wage board. As such, the board expected him to comply with its decisions with regard to administration of the program within its State. 102/

Credit for the relative smoothness and effectiveness of field operations, in spite of these incongruities of organization, must be attributed directly to the generally high caliber of the executive officers and the conscientious and able manner in which the board members did their part of the job. It is true that in some instances the executive officers dominated or ignored the boards and in other cases a board chairman or other strong personality on a board dominated the executive officer. But generally they worked as a team. Not only was cooperation within States generally excellent, but so also was cooperation with Washington.

Although slightly unrelated to the point just discussed, a technique for wage board stimulation utilized in Idaho and Oregon should be mentioned in this chapter. Generally, the Wage Board chairman

had to carry the major load at hearings on wage rates and alleged wage violations and in regard to other functions of the board. Because all this was an extra curricular activity unrelated to their regular employment, the members of the board tended to let the chairman do most of the work. Interest of members in keeping up with changes in the program gradually decreased, and attendance at board meetings declined. To remedy these problems, the Idaho Board instituted a plan for rotation of the chairmanship. In alphabetical order, each member served as chairman for a 60-day period. This spread the work load, stimulated interest on the part of all members of the board, and created a spirit of friendly competition. Each chairman would strive to do a better job than his predecessor. To be adequately prepared, members kept up with program developments from the national level and with program activities within the State (36,p.6). Therefore, the Idaho Board, as a group, was probably better informed on all phases of the program than any other board. The net result was excellent team work and a job well done. Whether this would hold true in every instance where this technique might be tried is open to question. The Oregon Board adopted the procedure early in the crop year of 1946. Although the results were apparently as successful, the program did not continue long enough to provide any conclusive answers to the question.

Conclusion

This chapter has been concerned primarily with pitfalls and problems which should be avoided in future programs. The following and final chapter summarizes in positive terms the entire program that has been discussed in previous chapters.

CHAPTER 9. SUMMARY CONCLUSIONS

The agricultural wage stabilization program was instituted in the fall of 1942 as part of the wartime program to prevent inflation. It was designed to permit general increases in farm-wage rates. This policy was supported by the double argument that (1) the purchasing power of the average farm-wage earner was exceedingly low and therefore farm-wage rates could be increased materially without creating an inflationary potential and (2) the anti-inflationary effect of increased food and fiber production would more than offset any inflationary potential which might result from an increase in wages for this low-income group.

Brakes were provided to be used when wage rates had reached a reasonable height or in case the speed at which they were increasing became dangerous in itself. Steps to apply the brakes became necessary in certain areas in 1943. By 1944, the need for application of the

restrictive phase of the program became more widespread. In many areas, farm-wage rates had increased to a point where further uncontrolled increases would have secured neither more labor nor greater labor productivity.

Several concomitant benefits from the restrictive phase of the program became evident through experience with its operation. Both workers and employers appeared to gain from the stabilizing influence on the labor market. There were early indications that these benefits would probably be of far greater importance than the direct anti-inflationary effects.

For more than a decade before World War II, increasing attention was given to the chaotic conditions seemingly inherent in the agricultural labor market. Whether labor was short or in surplus, labor pirating existed, particularly during harvest seasons. A farmer generally is in a position to gain by a fast harvest. His entire year's work is often at stake. A sudden shift in weather may mean heavy losses. During periods of labor surplus, the labor pirating was mostly in the form of enticing workers into an area to assure a fast harvest, or a harvest at depressed wage rates. Workers chased after rumors of higher wage rates. Labor turn-over was excessive. Valuable time was lost to both workers and growers. Employers could not make accurate preseason estimates of labor costs. Valid information on prevailing wage rates was not generally available to either workers or employers, and they had no knowledge of what a fair and reasonable wage would be. Bickering over the "going wage" was a perennial problem. Attempts to settle this through local voluntary group agreements by growers were mainly unsuccessful.

Experience, particularly with the specific wage-ceiling phase of the wage stabilization program, demonstrated that this chaotic wage condition in agriculture can be corrected in a large measure. Stabilizing the labor market was a more important anti-inflationary measure than was holding down the wage rates. The benefits from this aspect of the program were of immediate importance to the growers, the workers, and the Nation.

It is the wage-ceiling phase of the program that has the most to offer for the future. The very nature of the agricultural labor market - the large number of competing employers, the peak seasonal demand for labor, the lack of reliable information on the part of employers and workers on which to base a valid wage rate - caused the specific ceiling wage rate generally to become the prevailing wage rate. Threat of sanction played some small part in preventing labor pirating through unwarranted wage bidding. Much more important, however, was the development of cooperative compliance. This was attributable to several basic elements of the program and to several operating techniques that were used. Most credit, however, must be given to two services that were never present in the former voluntary type of prevailing wage programs.

In the first place, when the base ceiling rate was established, it was based on findings of fact and determinations by a third party, a public body, which gave consideration to pertinent facts and information relevant to the problem, such as rates for competing crop operations in the same or adjacent areas and worker productivity and costs of living. In the second place, and more important, variations from the ceiling rate or average prevailing rate were so handled as not to disrupt the labor market. Differences in crop yields, in housing and perquisites furnished, in remoteness from labor supply, in working conditions, justify variations in wage rates. Adjustments in wage rates based on these differences were granted, and the reasons were publicized so that they were understood by farmers and workers. The flexibility afforded through the adjustment procedure was very conducive to better employer-employee relations.

Theoretically, the program was Nation-wide in scope. When the permissive phase is considered, this was true but the application of the restrictive phase was not uniform. The general ceiling gave a semblance of Nation-wide coverage, but as a restrictive program it was not rigorously administered. The principal value of the general ceiling was its use as a bench-mark for applying the specific ceilings. When wage rates tended to reach the general ceiling level or when the uncontrolled increases became dangerous (because they were causing excessive turmoil in the labor market) the specific wage-ceiling technique was employed. This retarded the upward spiral of wage rates and tended to settle the labor market.

Administration of the specific ceilings provided extensive experience in dealing with problems of farm-wage rates and labor relations. Although largely concentrated in the Western area of high wage rates, ceilings were administered in all major geographic regions of the country. Specific ceilings were applied to fruits, berries, nuts, vegetables, potatoes, fiber crops, grains, livestock, dairying, and general farming. Experience was not restricted to harvest but included all types of on-farm operations. In all, 437 ceiling rates were promulgated. These applied to tasks or operations in 47 crops or commodities.

Experience was gained in commercial farm areas and family-type farm areas - areas dependent largely on transient or imported seasonal workers - and in areas primarily utilizing local labor. Ceilings were tried for limited operations in specified commodities in an area. Ceilings providing rates for all operations for all crops in an area were promulgated. Experience with various bases for determining equitable rates was gained.

The so-called grass-roots approach was followed. When they could be obtained, committees of local growers and workers, were called upon. They assisted by making recommendations for adjustments in ceilings and by explaining the program in their communities. Techniques for securing compliance ranged from publicity and educational effort to imposition of administrative penalties and threat of criminal prosecution. Education, local understanding, and cooperation were the most effective means of securing compliance and insuring the local labor market against chaos.

Many problems arose in program development and program administration. Misconceptions pertaining to labor earnings, wage rates, worker productivity, and competitive jobs in agriculture were corrected. Fundamental differences between forces affecting agricultural and industrial labor market conditions were highlighted. Basic program concepts of specific ceilings, wage-rate hearings, adjustment standards, and compliance were changed. Administrative problems of organization, delegations of authority, supervision, and controls, were coped with.

For about $3\frac{1}{2}$ years of operation, the total cost of the program approximated 1 million dollars of the taxpayers' money. The conclusion that the program, in large measure, was successful in attaining its objectives is well supported. Whether it could have been more effective during this particular period, at the same or at less cost, is doubtful.

APPENDIX

A-Chronology of Changes in Regulations and Orders Applicable to The Agricultural Wage Stabilization Program

The basic authority for the agricultural wage stabilization program was the Stabilization Act of 1942, passed by Congress on October 2, 1942 (39,56:765). This Act amended the Emergency Price Control Act of 1942 (39,56:23). The Stabilization Act of 1942 was later amended by the Public Debt Act of 1943 (39,57:63), the Stabilization Act of 1944 (39,58:632) and the Price Control Extension Act of 1946 (39,60:664). Based on the Stabilization Act of 1942, the following Executive Orders and regulations affecting the Agricultural wage stabilization program were issued:

October 3, 1942 - Executive Order 9250 established the Office of Economic Stabilization (40,7:7871).

October 27, 1942 - The Director of Economic Stabilization issued regulations which gave jurisdiction over all wages and over all salaries under \$5,000 per year except salaries of workers employed in a bona fide executive, administrative, or professional capacity to the War Labor Board and gave jurisdiction over all salaries in excess of \$5,000 per year to the Bureau of Internal Revenue (40,7:8748).

November 30, 1942 - The Director of Economic Stabilization issued regulations which gave jurisdiction over salaries and wages of agricultural labor to the Secretary of Agriculture. In these regulations the jurisdiction of the Secretary of Agriculture was limited by defining agricultural labor as persons working on farms and engaged in producing agricultural commodities whose wage or salary payments are not in excess of \$2,400 per year. This left jurisdiction over other agricultural labor and agricultural labor receiving more than \$2,400 per year with the War Labor Board and the Bureau of Internal Revenue (40,7:10024).

December 5, 1942 - Executive Order 9280 gave certain jurisdiction over agricultural wages and labor to the Secretary of Agriculture (40,7:10179).

March 26, 1943 - Executive Order 9322 transferred jurisdiction over agricultural wages from the Secretary of Agriculture to the Food Administrator (40,8:3807).

April 8, 1943 - Executive Order 9328, commonly known as the "hold the line order", was issued. This order limited wage and salary increases which could be approved to those approvable under the Little Steel formula, unless the increases were clearly necessary to correct sub-standards of living (40,8:4681).

April 19, 1943 - Executive Order 9334 amended Executive Order 9322 and officially named the organization the War Food Administration (40,8:5423).

August 27, 1943 - The Economic Stabilization Director amended his regulations to provide certain technical corrections and also to define "for any particular work" as used in connection with wage decreases as referring to "the particular work of the particular employee and not merely to a particular type of work." (F.R. Dec. 43 - 14084; filed Aug. 27, 1943)

August 28, 1943 - The Economic Stabilization Director revised his regulations of October 27, 1942, to incorporate amendments which had been promulgated in the interim period and to make certain additional changes. The principal changes affecting agriculture included a re-definition of agricultural labor to encompass "persons working on farms engaged in producing agricultural commodities whose salary or wage payments exclusive of bonuses and additional compensation and without the contemplated adjustment are in excess of \$2,400 per annum" (new material underlined) and deleted the phrases ". . . and in order to correct and adjust these gross inequities and to aid in effective prosecution of the war" as reasons for permitting increases, without approval, in wages and salaries for agricultural labor, as defined (40,8:11960).

September 2, 1943 - The Economic Stabilization Director amended his regulations to make the amended regulations of August 28 (40,8:11960) supersede the regulation dated October 27, 1942 (40,7:8748) and applicable to salary and wage adjustments within authority of the War Food Administrator, among others (40,8:12139).

December 9, 1943 - The Economic Stabilization Director amended his regulations to give the War Food Administrator jurisdiction over all wages of agricultural labor and over salaries of agricultural laborers receiving compensation at rates of \$5,000 per annum or less. These amendments clarified the definition of agricultural labor. They retained the limitation that agricultural wages and salaries above \$2,400 per year could not be increased without prior approval of the Administrator, but provided an exception in that in individual cases payments could be above \$200 a month or the equivalent rate for 60 days in any one year, if the total earning from all sources was not more than \$2,400 for that year. They defined the phrase "\$2,400 per annum" to mean "\$200 a month, or the equivalent weekly, hourly, piece-work rate or other comparable basis." They retained the provision that increases up to \$2,400 per annum would not be in violation unless the Administrator had issued a determination setting a different maximum permissible rate for a specific area, but added in Section 4001.7 a limitation which provided that "In no case, however, shall there be any reduction of wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942." "For any particular work" was defined to refer to the particular work of a particular employee (40,8:16702).

January 17, 1944 - The War Food Administrator issued "Regulations Relative to Salaries and Wages of Agricultural Labor." (Part 1100) These regulations provided for the basic organization to handle agricultural wage stabilization; set up procedures for applying for the standards for granting wage increases above \$2,400 per annum; and procedures for establishing specific wage ceilings, issuing specific wage ceiling regulations, determining violations, imposing penalties, etc., (40,9:655).

January 20, 1944 - The War Food Administrator issued "Specific Wage Ceiling Regulations" (Part 1107). These regulations provided procedure for applying for individual adjustments in specific ceiling rates and standards upon which such adjustments could be approved. They also contained procedure for determining violations similar to that contained in the January 17, 1944, regulations (40,9:831).

June 1, 1944 - The Economic Stabilization Director amended his regulations to delete the exception provided in the December 9, 1943, amendment that in individual cases rates above the equivalents of \$2,400 per annum could be paid without approval for a 60-day period (40,9:6035).

June 1, 1944 - The War Food Administrator amended his regulations to provide: in Section 1100.8, that a hearing to secure facts on which to base a recommendation for a specific ceiling could be conducted by two members rather than a full board; in Section 1100.9, the deletion of the 60-day exemption period; that "lawful overtime payments need not be included in determining whether an employee receives \$2,400 per annum"; that "payments by the same employer of the same salary rates or wage rates for the same type of work for the similar period or season made lawfully between December 9, 1942, and December 9, 1943, may be made without approval. . . ."; that reasonable adjustments based on promotions, reclassifications, individual merit increases, incentive plans, etc., could be made without approval, if made pursuant to a salary or wage schedule previously approved by the Administrator; in Section 1100.10, a fourth standard for granting approvals was added to provide for adjustments to correct inequalities between inter-related job classifications which had arisen because of elimination of substandards of living or application of the Little Steel Formula; in Section 1100.16 (a), that three members of a Wage Board will constitute a quorum when hearings on violation cases are conducted; in Section 1100.16 (d), that a finding of violation may be based upon a showing that the charge "is supported by substantial evidence" rather than that it "has been sustained by a preponderance of the evidence" (40,9:6011).

July 1, 1944 - The War Food Administrator amended his regulations to define agricultural producers. This amendment also specified, in Section 1100.8, that whenever it is requested in writing, by petition or otherwise, by a majority of the producers of any commodity in a particular area, the wage board having jurisdiction shall hold a public hearing, for the purpose of aiding the Administrator in the establishment of a specific wage ceiling regulation. This provision was based on the language of a budget limitation contained in the Agriculture Appropriation Act for the fiscal year 1945 (40,9:7378).

July 8, 1944 - The War Food Administrator issued an amendment to the Specific Wage Ceiling Regulations which changed Sections 1107.4, 1107.8(g), and 1107.10. The principal effect, in addition to minor clarifications of procedure, was to provide an "inspection section" which required farmers keeping records to make them available for inspection (40,9:7645).

August 8, 1944 - The War Food Administrator amended the procedure for recommending establishment of wage ceilings (Section 1100.3) by adding a provision that a wage board may, without receiving prior request from a majority of producers, hold a hearing "for the purpose of establishing such a specific wage ceiling regulation, if, after such a hearing and before the wage board recommends a particular specific wage ceiling regulation to the Administration, a majority of such producers request in writing a specific wage ceiling regulation for such commodity in such area" (40,9:9641).

October 3, 1944 - The War Food Administrator issued revised Regulations Relative to Salaries and Wages of Agricultural Labor. This revision consolidated all previous amendments; added, in Section 1100.13, an evasion section to make it clear that no indirect means might be used to violate the regulations provided, in Section 1100.16, for use of hearing offices to hold violation hearings when State wage boards or the Director of Labor do not desire to perform that function; added, in Section 1100.17, an inspection section which required farmers keeping records to make them available for inspection; and made some minor technical changes (40,9:12117).

October 19, 1944 - The War Food Administrator issued an amendment which corrected the last sentence of the last paragraph of Section 1100.7 appearing in the October 3 revision (40,9:12611,12117).

October 23, 1944 - The War Food Administrator issued a revision of the Specific Wage Ceiling Regulations which added an evasion section (Section 1107.11) and authority for hearing officers to be designated to hold hearings in instances where the wage boards did not desire to hold them (40,9:12807).

December 1, 1944 - The War Food Administrator issued an amendment correcting a typographical error which appeared in the amendment of October 23, 1944 (40,9:14206).

December 13, 1944 - The Economic Stabilization Director amended his regulations. This amendment had no important effect on the agricultural program (40,9:14547).

March 23, 1945 - The War Food Administrator issued a revision of the Specific Wage Ceiling Regulations which made a number of minor changes in several sections, defined the term "Supplement," and included a new paragraph allowing the alleged violator to consent to an order which would have the same force and effect as an order made after a hearing (40,10:3180).

June 23, 1945 - The War Food Administrator issued revised Regulations Relative to Salaries and Wages of Agricultural Labor. This revision clarified the procedure for determining violations to assure that the hearing provisions provide due process of law; provided that if the administrator finds mitigating circumstances in the violation case, the full amount paid in violation need not be certified to the Commissioner of Internal Revenue; on the basis of the Appropriation Act of 1946, the procedure for recommending wage ceilings was changed to provide that the majority of the producers of a commodity, in an area participating in a hearing, had to request establishment of a wage ceiling before such ceiling would be issued, and to provide further that if, after the hearing, the wage board was not satisfied that those present were representative of the producers in the area, it could conduct a referendum to get a more representative sample (40,10:7609).

June 29, 1945 - Executive Order 9577 was issued which terminated the War Food Administration on June 30, 1945, and transferred all functions, including agricultural wage stabilization, to the Secretary of Agriculture (40,10:8087).

July 31, 1945 - The Secretary of Agriculture issued an amendment to the general regulations. This amendment defined the hauling of agricultural commodities which is considered agricultural labor, and changed the procedure for recommending the establishment of wage ceilings by providing that a specific ceiling would not be issued unless a majority of the producers of the commodity covered thereby, within the area affected, participating in a referendum or meeting held for that purpose request the intervention of the Secretary, and providing further that such referendum or meeting could be held before or after the public hearing held for purposes of securing facts upon which to base recommended ceiling rates, or that a vote could be taken at such public hearing (40,10:9581).

August 18, 1945 - The President issued Executive Order 9599, relaxing industrial wage controls. Agricultural wage controls were retained (40,10:10155).

September 13, 1945 - The Secretary of Agriculture issued an amendment which added the State of Texas to the list of States appearing in the Appendix to Part 1100 which had made an official finding of 85 cents per hour as the hourly equivalent rate of \$200 per month under the general regulations (40,10:11793).

December 5, 1945 - The Director of Economic Stabilization issued revised regulations in which the U. S. Department of Agriculture was designated as the wage stabilization agency for Agriculture (40,10:14820).

February 14, 1946 - The President issued Executive Order 9697 which reinstated wage controls under the National Wage Stabilization Board (40,11:1691).

March 8, 1946 - The Economic Stabilization Director revised Section 4001 of the OES Regulations establishing a new wage and price policy pattern. This revision reiterated the role of the Department of Agriculture as the wage stabilization agency for agriculture (40,11:2517,3300)

May 24, 1946 - The Secretary of Agriculture issued Supplementary Regulations Relative to Salaries and Wages of Agricultural Labor which provided standards for granting approval of wage increases consistent with Executive Order 9697 and the regulations of the Economic Stabilization Director of March 8, 1946. The old standard relating to "rare and unusual" cases was eliminated and the other old standards were brought up-to-date; for example the cost-of-living standard of 15 percent increase over January 1941 was changed to 33 percent increase. In addition, two new standards applicable only to agriculture were added: (1) to correct for inequities among time and piece-work rates paid

under the agricultural wage program and (2) to eliminate inequities between jobs requiring the same skills in agriculture and in other activities in the area (40,11:5903).

October 15, 1946 - The Secretary of Agriculture issued an amendment which provided that payments for sugar beet work could be made at rates established pursuant to the Sugar Act of 1937 without further approval regardless of the Regulations Relative to Salaries and Wages of Agricultural Labor (40,11:12285).

November 9, 1946 - The President issued Executive Order 9801 which abolished all wage controls (40,11:13435).

Summary of Coverage to the Wage Ceiling Regulations, by Supplements

State	Supplement	Regulation effective	Counties covered	Item	Operation
	Number	Date	Number		
Arizona	29	9-21-44	6	Cotton, American Egyptian	Picking; pulling; bolting; snapping; scrapping
				Cotton, American Upland	
Do.	45	4-24-45	1	Hay, Alfalfa	Baling
Do.	54	7-4-45	1	Cantaloupes	Picking
Do.				Melons, Honeydew	Picking
Do.	89	10-23-45	1	Lettuce	Dry-pack harvesting
Arkansas	83	9-26-45	21	Cotton	Picking; pulling; snapping
California	1/1	4-12-43	5	Asparagus, Green	Cutting and sledging; ranch packing; racking and washing; racking and boxing
				Asparagus, White	
Do.	2	4-4-44	1	Hay, Alfalfa	Mowing; raking; baling; hauling and piling; hauling and loading into cars
Do.	3	4-18-44	6	Straw, Flax	Mowing; raking; baling
				Potatoes	Picking up; loading and hauling; unloading
Do.	2/4	7-31-44	3	Oranges, Valencia	Tree picking
Do.	5	5-4-44	2	Peas, Fresh Market	Picking
Do.	6	5-4-44	5	Peas, Fresh Market	Picking
Do.	7	5-22-44	9	Cherries	Picking
Do.	8	5-22-44	8	Cherries	Picking
Do.	9	6-10-44	11	Hay, Alfalfa	Baling and piling
				Hay, Vetch	(stationary; pick-ups; shock-to-shock balers)
Do.	13	6-23-44	23	Apricots	Tree picking; cutting
Do.	14	6-28-44	2	Lettuce	Dry-pack harvesting
Do.	19	6-30-44	23	Peaches	Tree picking; cutting
Do.	20	6-30-44	5	Dairying	Hand milking; machine milking; milkhouse machine operator; milkhouse carmen; (yr. around)
Do.	26	9-7-44	2	Potatoes	Picking; swamping; bucking; loading
				Onions	Handtopping & sacking; loading; bucking; & swamping
				Hay	Stacking; other hay harvest labor

Summary of Coverage to the Wage Ceiling Regulations, by Supplements

State	Supplement	Regulation effective	Counties covered	Item	Operation
California	1/26	9-7-44	2	Wheat, barley, other grains	Header tender; jigger and cartman; sack sewer; truck driver; combine or separator operator; tractor driver; sack bucket
				General farm operations	Planting; cultivating; harvesting; and general farm work (year-round)
Do.	1/36	10-8-43	6	Cotton, upland	Picking; snapping
Do.	1/37	8-26-43	8	Grapes, Raisin	Picking
Do.	1/38	8-24-43	20	Tomatoes, Canning	Picking
Do.	39	10-31-44	3	Oranges, Navel	Tree picking
Do.	40	10-31-44	3	Lemons	Tree picking
Do.	41	12-2-44	2	Fruit trees	Pruning
				Nut trees	Pruning
Do.	43	3-14-45	1	Hay, Alfalfa	Mowing; raking; baling; hauling and baling
Do.	44	3-19-45	1	Peas, Fresh Market	Picking
Do.	53	7-4-45	1	Apples	Tree picking; picking up
Do.	57	8-1-45	2	Apples	Tree picking; pruning; thinning; irrigating; cultivating; spraying (year-round)
Do.	58	7-21-45	1	Pears	Tree picking
				Prunes	Picking up
				Hops	Picking
				Walnuts	Knocking and picking
Do.	62	7-26-45	2	Pears	Tree picking
				Hops	Picking
				Prunes	Picking up
Do.	69	8-25-45	2	Prunes	Shaking and picking up
Do.	87	10-17-45	1	Grapes	Picking
Colorado	72	9-6-45	4	Broomcorn	Cutting and pulling; de-seeding; baling
Delaware	11	6-15-44	2	Asparagus, Fresh Market	Cutting, bunching and packing
				Asparagus, Cannery	Cutting and sledding
Florida	1/21	11-25-43	State	Tangerines	Picking, loading, bunch or goat truck driving
				Oranges	
				Grapefruit	
Do.	35	10-19-44	State	Grapefruit	Picking up, grading and loading; picking up; loading
				Oranges	

Summary of Coverage to the Wage Ceiling Regulations, by Supplements

State	: : Supplement : Number	: : Regulation : effective Date	: : Counties : covered Number	Item	: : Operation
Idaho	: 10	6-12-44	8	Peas, Fresh Market	Picking
Do.	: 31	9-30-44	9	Potatoes	Picking; loading; bucking
Do.	: 32	9-30-44	6	Potatoes	Picking; loading; bucking
Do.	: 33	10-4-44	7	Sugar Beets	Topping and loading
Do.	: 34	10-4-44	6	Sugar Beets	Topping and loading
Do.	: 49	6-11-45	2	Cherries	Picking
Do.	: 56	7-17-45	10	Potatoes	Picking up; loading; bucking
Do.	: 60	7-24-45	7	Wheat	Combine operator; farm
	:	:	:	Peas, dry	mechanic; sack sewer, tractor
	:	:	:	Grain, other	operator, header tender, truck driver, sack jigger
Do.	: 71	9-4-45	6	Wheat	Harvesting, farm mechanic
	:	:	:	Grain, other	
Do.	: 75	9-6-45	8	Apples	Tree picking
	:	:	:	Prunes	Picking
Kansas	: 73	9-6-45	7	Broomcorn	Cutting and pulling; de-seed- ing, baling
Maine	: 70	8-22-45	2	Potatoes	Picking up; other harvest labor
Minnesota	: 79	9-8-45	5	Potatoes	Picking; loading; digger operator; truck driver
Mississippi	: 3/ 82	9-17-45	19	Cotton	Picking, pulling, snapping
North Dakota	: 86	10-5-45	7	Potatoes	Picking up; loading; digger operator; truck driver
Ohio	: 76	9-8-45	4	Vegetables, Greenhouse	Plowing; planting; watering; spraying; pruning; pollenizing; picking, grading; boiler oper- ation; machinery operation; maintenance; foreman; (year-round)
Oklahoma	: 74	9-6-45	4	Broomcorn	Cutting and pulling; de-seed- ing; baling
Oregon	: 12	6-15-44	1	Peas, Fresh Market	Picking
Do.	: 25	9-7-44	1	Potatoes	Picking; swamping, bucking, loading
	:	:	:	Onions	Handtopping and sacking; load- ing, bucking and swamping
	:	:	:	Hay	Stacking; other hay harvest labor
	:	:	:	Wheat	Header tender; jigger and
	:	:	:	Barley	cartman; sack sewer; truck
	:	:	:	Grain, other	driver; combine or separator tractor driver; sack buckler

Summary of Coverage to the Wage Ceiling Regulations, by Supplements

State	: :Supple- :ment	: :Regulation: :effective:	: :Counties: :covered:	Item	: : :	Operation
	: :Number	: :Date	: :Number			
Oregon	: 25	: 9-7-44	: 1	General farm operations		Planting, cultivating, harvesting and general farm work (year-round)
Do.	: 27	: 9-7-44	: 1	Cherries		Picking
	:			Pears		Single picking; size picking
	:			Apples		Tree picking
	:					Also truck driver, tractor driver, buckler, swamper, and crew foreman
Do.	: 28	: 9-19-44	: 2	Potatoes		Picking; other harvest labor
Do.	: 47	: 6-15-45	: 5	Wheat		Combine operators; tractor drivers; sack sewers; header tenders; sack jiggers; farm mechanics; planting; cultivating; harvesting; and general farm work (year-round)
	:			Peas, dry		
	:			Hay		
Do.	: 50	: 6-15-45	: 2	Cherries		Picking
	:			Apricots		Color picking
	:			Peaches		Picking
	:			Other tree fruit		Picking
	:					Also general orchard labor (year-round)
Do.	: 61	: 7-27-45	: 1	Hay		Stackers; other hay harvest labor
Do.	: 63	: 8-6-45	: 1	Prunes		Tree picking; picking; picking up; single picking; size picking; dryerman; other harvest labor
	:			Apples		
	:			Peaches		
	:			Pears		
	:			Filberts		
	:			Walnuts		
	:			Melons		
	:			Tomatoes		
	:			Truck crops, other		
Do.	: 66	: 8-15-45	: 1	Plums		Picking; other harvest labor
	:			Prunes		
Do.	: 77	: 9-6-45	: 1	Apples		Picking
	:			Prunes		Picking
Do.	: 80	: 9-14-45	: 2	Hops		Picking
	: 85	: 10-1-45	: 1	Potatoes		Picking up; other harvest labor

Summary of Coverage to the Wage Ceiling Regulations, by Supplements

State	: : Supplement : Number	: : Regulation : effective : Date	: : Counties : covered : Number	Item	: : Operation
Oregon	: 90	6-10-46	2	General Farm	General farm work (year-round); other than harvesting cranberries and shearing sheep
Do.	: 91	6-12-46	2	Sheep wool	Shearing sheep
Do.	: 92	6-11-46	1	Cherries	Picking
Do.	: 93	6-14-46	4	Cherries	Picking
Do.	: 95	8-27-46	4	Plums	Shaking and picking; picking
				Prunes	up; other harvest labor
South Dakota	: 67	8-17-45	70	Wheat	Shocking; threshing; spike
				Grain, small	pitching; truck driving;
				Hay	tractor driving; combine
					operator; separator operator;
					silo filling; haying
Do.	: 78	9-8-45	8	Potatoes	Picking up; loading; unloading;
					other harvest labor
Do.	: 88	10-13-45	State	Corn	Hand picking; machine picking;
					tractor driver
Texas	: 65	8-11-45	9	Cotton, upland	Picking; pulling; snapping
Do.	: 81	9-14-45	39	Cotton, upland	Picking; pulling; snapping
Washington	: 15	7-17-44	3	Cherries	Picking
Do.	: 16	7-17-44	3	Peaches	Picking
Do.	: 17	7-17-44	3	Apricots	Picking
Do.	: 18	7-17-44	3	Apples	Picking; thinning; spraying;
					tractor driving; swamping;
					general orchard work (year-round)
Do.	: 22	8-23-44	1	Hops	Picking
Do.	: 23	8-24-44	1	Blackberries, Evergreen	Picking
Do.	: 24	8-28-44	3	Apples	Picking
Do.	: 30	9-26-44	2	Apples	Picking; truck driving
				Pears	
Do.	: 46	6-11-45	1	Raspberries	Picking
Do.	: 48	6-11-45	2	Cherries	Picking
Do.	: 51	6-14-45	2	Cherries	Picking
Do.	: 52	6-18-45	5	Wheat	Combine operator; tractor
				Peas, dry	driver; header tender; sack
					sewer; sack jigger; truck
					driver; general harvest labor

Summary of Coverage to the Wage Ceiling Regulations, by Supplements

State	: : Supplement : ment	: : Regulation : effective	: : Counties : covered	Item	: : Operation
Washington	: 55	: 7-17-45	: 5	Wheat	: Combine operator; tractor driver; head tender; sack sewer; sack jigger; truck driver; general harvest labor
Do.	: 59	: 7-23-45	: 1	General Farm	: General Farm Labor, (year-round)
Do.	: 64	: 8-11-45	: 2	Peaches Pears	: Picking; swamping Size picking; strip picking; swamping
Do.	: 68	: 9-8-45	: 1	Plums Prunes	: Picking; other harvest labor
Do.	: 84	: 9-25-45	: 1	Apples	: Picking
Do.	: 94	: 6-14-46	: 1	Cherries	: Picking

1/ These ceilings were issued as unnumbered and later assigned numbers on the following dates: No. 1, 1-20-44; No. 21, 7-25-44; No. 36, 37 and 38, 10-31-44.

2/ No. 4 terminated 7-31-44, reissued as No. 42, 3-12-45.

3/ No. 82 terminated 6-30-46, reissued as No. 96, 9-5-46.

Supplements to the Specific Wage Ceiling Regulations.

Dates U.S.D.A. Wage Boards Were Established, by States

State	:	Established
	:	<u>Date</u>
Arizona	:	August 29, 1944
Arkansas	:	August 1, 1945
California	:	March 11, 1944
Colorado	:	June 16, 1944
Delaware	:	May 15, 1944
Florida	:	November 6, 1943
Idaho	:	April 7, 1944
Illinois	:	June 6, 1944
Kansas	:	July 20, 1945
Maine	:	August 1, 1945
Maryland	:	May 19, 1944
Michigan	:	June 7, 1944
Minnesota	:	August 23, 1945
Mississippi	:	July 24, 1945
Missouri	:	August 10, 1945
Nebraska	:	July 16, 1945
New Jersey	:	May 16, 1944
North Dakota	:	August 21, 1945
Ohio	:	August 14, 1945
Oklahoma	:	August 20, 1945
Oregon	:	May 1, 1944
South Dakota	:	July 20, 1945
Texas	:	September 11, 1944
Washington	:	April 10, 1944

Wage Stabilization Division, Labor Branch, PMA.

Maximum Wage Rates Prescribed for Various Operations, by Supplements

State	Supplement Number	Operation	Unit	Rate
				Dollars
Arizona	29	Picking American cotton		
		Egyptian	Hundredweight	4.50
		Upland	do.	2.65
	45	Baling alfalfa hay		
		Leadman	Ton	.35
		Other men	do.	.30
	54	Picking		
		Cantaloups	Crate	.23
California		Honeydew melons	do.	.07
	89	Harvesting lettuce, dry pack	do.	.40
	1	Cutting and sledding asparagus, packed		
		out		
		Prime beds		
		No. 1 white	Hundredweight	2.75
		No. 1 green	do.	3.25
		Non-prime beds		
		No. 1 white	do.	3.25
		No. 1 green	do.	3.75
	2	Alfalfa hay		
		Mowing	Acre	.40
		Raking	do.	.45
		Flax straw		
		Mowing	do.	.45
		Raking	do.	.50
	3	Potatoes		
		Picking	Hundredweight	.12
		Loading, unloading, and hauling under		
		5 miles	Ton	1.00
		Field driver not engaged in loading or		
		unloading	do.	.10
		Field loaders	do.	.40
		Picking		
	5	Fresh market peas	28 lbs.	.65
	6	Fresh market spring peas	Bushel	.60
	7	Cherries	Pound	.04
	8	Do.	Pound	.04
	9	Baling alfalfa, vetch, grain hay		
		3-wire stationary baler		
		Feeder	Ton	.50
		Wire tier	do.	.40
		Wire poker	do.	.25
		Bale piler	do.	.40
		Spool tender	do.	.25

Maximum Wage Rates Prescribed for Various Operations, by Supplements

State	Supplement Number	Operation	Unit	Rate
				Dollars
California	9	2 or 3-wire pick-up baler		
		Leadman	do.	0.50
		Other man	do.	.45
	13	Apricots		
		Area A		
		Picking	Ton	12.00
		Cutting	Ton	15.00
		Area B		
		Picking	do.	13.00
		Cutting	do.	16.00
	14	Harvesting lettuce		
		Dry pack	Crate	.27
		Crew organization and supervision	do.	.01
	19	Tree picking peaches		
		Freestone		
		For market	Ton	8.00
		For drying and/or canning	do.	6.00
		Clingstone	do.	6.00
		Cutting freestone peaches	do.	7.00
	20	Milkers-Base pay per 60-cow string, \$220. per month		
		Bonus per month for each daily average pounds drawn by -		
		Machine in excess of 1,900 pounds	Pound	.15
		Hand in excess of 1,000 pounds for		
		Holsteins	do.	.30
		900 lbs. mixed strings	do.	.30
		800 lbs. Jersey and Guernsey	do.	.30
	26	Picking potatoes	60 lb. sack	.05
		Hand topping and sacking onions	50 lb. sack	.15
	36	Picking American upland cotton	Hundredweight	3.00
	37	Picking grapes for sun dried raisins, in units of 500 or more vines		
		Thompson and Sultana	22 lb. tray	.05
		Muscat	do.	.065
	38	Picking canning tomatoes		
		Round	50 lb. box	.15
		Pear shaped	do.	.21
	39	Tree picking		
		Navel oranges	Standard box	.15
	40	Lemons	Standard box	.35
	41	Pruning fruit and nut tree	Tree	.60

Maximum Wage Rates Prescribed for Various Operations, by Supplements

State	Supplement Number	Operation	Unit	Rate
				Dollars
California	42	Tree picking Valencia oranges	Standard box	0.15
	43	Baling alfalfa hay		
		Leadman	Ton	.64
		Other men	do.	.48
	44	Picking fresh market peas		
		Early	Hamper	.75
		Late	do.	.65
	53	Picking		
		Apples from -		
		Tree	42 lb. box	.16
		Ground	Ton	4.00
	57	Tree	Bushel box	.15
	58	Pears from trees	Lug	.15
		Prunes from ground	50 lb. box	.25
		Hops	Pound	.0325
	62	Pears from trees	50 lb. box	.15
		Prunes from ground	do.	.25
		Hops	Pound	.03
	69	Prunes		
Colorado		Area I	Ton	10.00
		Area II	do.	9.00
	87	Grapes	50 lb. box	.20
Delaware	72	Broomcorn		
		Cutting and pulling	Pound	.0295
		De-seeding and baling cured basis	do.	.01
Florida	11	Asparagus		
		Harvesting for fresh market	Bunch	.08
		Cutting and sledding cannery	Pound	.03
Idaho	21	Picking		
		Tangerines	Standard box	.30
		Seedling oranges	do.	.25
		Budded oranges	do.	.15
Idaho		Grapefruit	do.	.09
	10	Green peas for market	Bushel	.62
	31 & 32	Potatoes		
		Yield in 120 lb. sacks per acre		
		200 or more	Sack	.10
		150-199	do.	.11
		100-149	do.	.12
		80-99	do.	.14
		60-79	do.	.16

Maximum Wage Rates Prescribed for Various Operations, by Supplements

State	Supplement Number	Operation	Unit	Rate
				Dollars
Idaho	1/33 & 34	Topping and loading sugar beets		
		Yield in tons per acre		
		6 or less	Ton	2.08
		7 or less	do.	1.98
		8 or less	do.	1.89
		9 or less	do.	1.80
		10 or less	do.	1.74
		11 or less	do.	1.68
		12 or less	do.	1.64
		13 or less	do.	1.60
		14 or less	do.	1.55
		15 or less	do.	1.53
		16 or less	do.	1.51
		17 or less	do.	1.49
		18 or less	do.	1.47
		19 or less	do.	1.46
		20 or more	do.	1.45
		Picking		
	49	Cherries	Pound	.03
	56	Potatoes		
		Yield in 100 lb. sacks per acre		
		200 or more	Sack	.10
		175-199	do.	.11
		150-174	do.	.12
		125-149	do.	.13
		100-124	do.	.14
		85-99	do.	.16
		70-84	do.	.18
		69 or less	do.	.22
	75	Apples	Standard box	.10
		Prunes	Pound	.005
Kansas	73	Broomcorn		
		Cutting and pulling	Pound	.0275
		De-seeding and baling	do.	.01
		Picking		
Maine	70	Potatoes	Barrel	.25
Minnesota	79	do.	75-80 lb. bag	.10
Mississippi	96	Cotton	Hundredweight	2.60
North Dakota	86	Potatoes		
		Area A	75-80 lb. bag	.10
		Area B	do.	.12

Maximum Wage Rates Prescribed for Various Operations, by Supplements

State	Supplement	Operation	Unit	Rate
Oklahoma	74	Broomcorn		
		Cutting and pulling	Pound	0.0275
		De-seeding and baling	do.	.01
Oregon		Picking		
	12	Green peas for market	Bushel	.62
	25	Potatoes	:60 lb. sack	.05
		Hand topping and sacking onions	:50 lb. sack	.15
		Picking		
	27	Cherries	Pound	.035
		Bartlett pears		
		Single picking in -		
		Apple box	Box	.10
		Libby lug	Lug	.11
		A.G.A. lug	do.	.115
		Size picking in -		
		Apple box	Box	.12
		Libby lug	Lug	.13
		A.G.A. lug	do.	.135
		Other than Bartlett pears		
		Single picking in -		
		Apple box	Box	.12
		Libby lug	Lug	.13
		A.G.A. lug	do.	.135
		Apples		
		All varieties except Newtons		
		Apple box	Box	.11
		Libby lug	Lug	.12
		A.G.A. lug	do.	.125
		Newtons		
		Apple box	Box	.12
		Libby lug	Lug	.13
		A.G.A. lug	do.	.135
	28	Potatoes	:60 lb. sack	.065
	50	Cherries	Pound	.035
		Apricots by color	:38 lb. lug	.30
	63	Prunes		
		French	:56 lb. lug	.25
		Italian	do.	.20
		Apples	:40 lb. box	.12
		Pears		
		Single picking		
		Star lug of 38 lbs.	Lug	.11
		Monarch lug of 40 lbs.	do.	.12
		E.F.G.A. lug of 44 lbs.	do.	.13

Maximum Wage Rates Prescribed for Various Operations, by Supplements

State	Supplement Number	Operation	Unit	Rate
				Dollars
Oregon	63	Size picking		
		Star lug of 38 lbs.	do.	0.13
		Monarch lug of 40 lbs.	do.	.14
		E.F.G.A. lug of 44 lbs.	do.	.15
		Walnuts	:35 lb. lug	.50
	66	Prunes or plums	:45 lb. lug	.30
	77	Apples	:Bushel box	.10
		Prunes	: Pound	.005
	80	Hops	: do.	.04
	85	Potatoes	:60 lb. sack	.07
	91	Shearing sheep (includes board and lodging)	: Head	.25
	92	Picking		
		Cherries	: Pound	.035
	93	Sweet	: do.	.035
		Sour	: do.	.025
South Dakota	95	Plums or prunes from ground	:56 lb. lug	.25
		And shaking plums or prunes	: do.	.35
	78	Potatoes		
		Picking		
		Area I	:35 lb. basket	.05
		Area II	: do.	.06
		Loading and unloading Area I and II	:70 lb. sack	.03
	88	Hand picking corn		
		Elevator used for unloading		
		Area I	: Bushel	.10
		Area II	: do.	.12
		Area III	: do.	.14
		Scooped into crib		
		Area I	: do.	.11
		Area II	: do.	.13
		Area III	: do.	.15
Washington		Picking		
	15	Cherries	: Pound	.035
	16	Peaches	:40 lb. lug	.10
	17	Apricots	: do.	.25
	22	Hops (plus 1 cent lb. bonus for picking through season)	: Pound	.045
	23	Evergreen blackberries (plus 25 cent crate bonus for picking through season)	:30 lb. crate	1.00

Maximum Wage Rates Prescribed for Various Operations, by Supplements

State	Supplement Number	Operation	Unit	Rate
				Dollars
Washington	24	Apples		
		Other than Winesaps	:35 lb. box	: 0.10
		Winesap	: do.	: .12
	30	Except Newtons		
		Apple box or Libby lug	: Lug	: .11
		A.G.A. lug	: do.	: .125
		Newton apples or winter pears		
		Apple box or libby lug	: do.	: .12
		A.G.A. lug	: do.	: .135
	46	Raspberries plus 25 cents crate bonus for:		
		picking through season	:30 lb. crate	: 1.25
	48	Cherries	: Pound	: .03
	51	Cherries	: do.	: .035
	64	Peaches in apple box	: Box	: .12
		Pears in apple box		
		Size picking	: do.	: .12
		Strip picking	: do.	: .10
	68	Prunes or plums	:45 lb. lug	: .30
		Apples		
	84	Delicious	: Box	: .10
		Winesap	: do.	: .12
	94	Cherries	: Pound	: .035

1/ Revoked October 9, 1946.

Supplements to the Specific Wage Ceiling Regulations. Additional information on definitions of operations and units, piece-work rates for minor operations, rates for ceilings revoked during the year, and day and month rates may be obtained from the Supplements.

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